

LOCAL
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**Local Government
Resilience
Programme
for the Middle East and
North Africa**

(LOGOReP)



Federation Capacity Mapping Study

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Content

1	Executive Summary	4
1.1	Existing Institutional Capacities of Municipal Federations	4
1.2	Established Needs and Opportunities	5
1.3	An Agenda for Action	6
2	Background & Methodology	8
3	Introduction	10
4	Political and legal framework	11
5	Municipal Federations: Trends	15
5.1	Emergence and Proliferations of Local Authorities since 1977	15
5.2	Size and Features	17
5.3	Impact of the Refugee Crisis	17
5.4	Internal Cohesion: A Major Strength	19
5.5	Emergency Preparedness	19
5.6	Transparency: A Long Way Ahead	21
6	SWOT Analysis	22
7	Material Assets in Municipal Federations	25
7.1	Equipment Needs	25
7.2	Condition of the Federations' Premises	27
8	The Administration of Human Resources	29
8.1	Availability of an Organisational Chart	30
8.2	Human Resources in Municipal Federations	32
8.3	Specialised Committees and citizen engagement	43
9	The Financial Capacity of Municipal Federations	46
9.1	Sources and Size of Revenues	46
9.2	Revenue Structure (2013–2015)	47

9.3 Spending Size and Structure of Municipal Federations (2013-2015)	51
9.4 Financial Assessment of Municipal Federations	53
10 Planning and Project Management in Municipal Federations	56
10.1 Urban Planning	56
10.2 Strategic Planning	58
10.3 Cooperation Projects and Project Management Skills	58
11 Key Performance Indicators	61

1 Executive Summary

Since the beginning of the war in Syria, Lebanon has received around 1.5 million refugees, most of them in the peripheral and most vulnerable areas of Lebanon.

Local Authorities have been at the forefront of the response to the Syria crisis, juggling with available means and creative solutions to address the sudden refugee influx and to maintain a basic acceptable level of services while managing the environmental, economic and social tensions resulting from the crisis. Many municipalities and their Federations had to cater for the needs of twice as much inhabitants using the same level of (largely insufficient) pre-crisis resources, and seek additional funding and support from the donor community to complement these resources.

This report gives an empirical snapshot of the landscape of local governance in Lebanon from the perspective of municipal Federations and highlights possible entry points for national and international actors to support local authorities and host communities in addressing the aftermath of the Syria crisis and beyond.

1.1 Existing Institutional Capacities of Municipal Federations

Most of the Federations struggle to maintain a basic institutional capacity. Forty-one percent (41%) of Federations do not have a formalised administrative structure, such as an organogram defining functions and responsibilities, not to mention bylaws, Standard Operating Procedures, terms of references and reporting lines. Federations also lack the core administrative units required by law: 22% of them do not have administrative and financial departments while 37% function without an engineering department. Without these, Federations cannot fulfil their developmental objectives in a systematic and accountable way.

Another impediment to sustainability is understaffing, expressed by 71% of the Federations, in addition to the absence of specialised departments and staff with advanced technical skills. Only 13% of Federations' workforce across Lebanon specialises and/or works in public health, environment, waste management, social policy and strategic planning. Without skilled staff members, the work of the Federations remains confined to expediting routine administrative tasks and basic public and hinders the strong leadership role that Federations can play in local economic and urban development.

The lack of financial resources was identified by 74% of the Federations as their primary weakness and as the main hindrance for developing their technical, administrative and planning capacities. Many of the Federations were however very reluctant (not to say hostile) to disclose their financial data, which is still perceived as "sensitive" information while it is by law a citizen's right.

The examination of the available financial data confirms that Federations are unable to plan forward because of their heavy dependence on the central government-controlled equalisation payments of the Independent Municipal Fund (IMF), Lebanon's intergovernmental transfer system. The IMF transfers, which represent around 70% of their revenues, are not released in a predictable and timely manner. Around 61% of the revenues are spent on administrative costs and routine infrastructure maintenance works and another 30% on cleanliness, leaving around 9% to everything else the Federations have to do, such as advanced public services or larger-scale development projects – the very *raison d'être* of the Federations.

On the brighter side of things, internal cohesion and positive cooperation ties between member-municipalities is identified as the major strength of municipal Federations by more than two thirds of the officials and staff who were interviewed for the study. This positive cooperation can be attributed to a sense of territorial unity and complementarity that transcends beyond the traditional political and tribal cleavages within the individual villages that are part of the Federation, and to a clear acknowledgement of the democratic legitimacy and policy-making responsibility of the Federation over its territory.

1.2 Established Needs and Opportunities

Federations were established to spearhead collective projects, programmes and investments that address the development and planning needs of their territories from a regional and complementary perspective, and at a scale that would not have been possible for a single municipality alone.

In practice, this mandate is far from being reached and Federations are struggling to “walk the talk”. For example, two third of the Federations did not develop yet an urban master-plan, although most of them declare being committed to a strategic vision and/or some form of strategic planning. Federations have little-to-no risk preparedness, even though two thirds affirm that an emergency preparedness plan was discussed during their council meetings. This can be partly attributed to the lack of resources and in-house expertise, but also the lack of guidance from the concerned ministries and governmental agencies, and to the bureaucratic routine between the different tiers of administration. As a result, Federations tend to over-rely on uncoordinated aid money to hire external experts and consultants to perform ad-hoc planning functions.

If an opportunity for financial assistance was available tomorrow, Federations would request additional basic equipment such as lorries for roads, sewage waste and water (57% of expressed needs), vehicles such as police cars, ambulances and light fire trucks (25% of expressed needs) and office supply and appliances (15% of expressed needs), especially that demand for equipment increased significantly following the Syria refugee crisis to execute routine infrastructure and maintenance works, while the current budget levels of Federations does not allow for such investments.

On the other hand, while largely computerised, the work routine is not digitised; computer stations are stand-alone and are rarely integrated into a central server, intranet, IT or data management system. Only 10% of Federations use a Geographic Information System (GIS), an essential tool in town/land-use planning, zoning, tax collection and overall monitoring of the municipal areas; there is a long way to go in demonstrating the added value of GIS as only 6% of the Federations who are not familiar with GIS consider it as a need or priority. Similarly, the expressed need for specialised technical expertise in fields like strategic planning, local development, project management, environmental management, public health, data management etc. is particularly low and does not exceed 12% of the planned staffing arrangements of Federations.

On the brighter side of things, most of the workforce in the Federations is young and knowledgeable: 75% of the civil servants are below the age of 40 and 41% have a higher education degree. More than half of the elected officials of the Federation consider their staff as highly skilled and 29% consider that the Federations' staff display a sense of initiative. This could reflect receptiveness to new technologies and eagerness to gain new skills through mentoring and capacity development.

Overall, the needs are consistent: more resources are needed to attract civil servants and experts with high technical skills, and more capacity development is needed to professionalise the work at the level of Federations. There is also a need for institutional backstopping and better coordination and less red-tape in the relationship with the line ministries and the competent central government agencies in the various spheres of activity (SWM, wastewater, environmental policies etc.).

If a training opportunity was available tomorrow, Federations would sign-in to trainings around GIS, community mobilisation and volunteer management, urban planning and land-use planning, strategic planning for local development, institutional capacity-building, service delivery, emergency preparedness and emergency response, community safety, fundraising and networking and city/territorial marketing.

1.3 An Agenda for Action

Going forward, municipal Federations should be provided with the necessary assistance and expertise to plan and develop their own solutions. Elected local officials are over-relying on donor funding and assistance programmes to improve their situation but at the same time they are not fully capacitated (institutionally and technically) to process this assistance and/or clearly influencing its agenda. This calls for coordinated and sustained capacity development processes and longer-term institutional strengthening of municipal Federations to enable them to influence the aid agenda beyond one-time off solutions as it has been the case since beginning of the Syria crisis. Several cooperation opportunities in waste management, Local Economic Development (LED), strategic planning, urban planning, emergency response, and sectoral policies (health, environment, social affairs) were made available by different donors, yet Federations have been mostly passive recipients rather than active influencers and/or owners of this aid.

For this to succeed, some pre-requisites must be met. For example, the integration of ICT and GIS into municipal work is of paramount importance and would prepare grounds for introducing e-governance. This should go together with an institutional strengthening strategy for municipal Federations, starting with formalised internal systems and processes together with a professional development plan for existing staff in their respective area of qualification. There is also a largely untapped potential within the constituency of every Federation which can be mobilised, through institutionalised participation mechanisms for mobilising talent and establishing a volunteer base such as specialised citizens committees or task forces to provide advice on emerging issues and participate in the design and implementation of regional plans (strategic development plan, urban plan, emergency plan).

In parallel, efforts are needed to create a more enabling legal and regulatory framework. Local authorities can benefit from economies of scales, perhaps through incentives for municipal mergers, and consolidated mechanisms for pooling the resources of member-municipalities. As such, the institutional mechanisms governing municipal finance must be improved – if not amended – to enable financial planning. On the one hand, fairness, timeliness and transparency of the IMF transfers must be ensured and mechanisms warranting that taxpayers and member-municipalities settle their dues must be put in place and/or reinforced.

Finally, sound local governance requires a smooth working relationship with central government agencies (particularly the Ministry of Interior, but also CDR, OMSAR, the newly established Ministry of State for Planning Affairs and relevant line ministries), local CSOs and member-municipalities. Stakeholders must therefore seek to formulate programmes that improve national policies and regulatory frameworks and push for the clarification of the mandates of the competent institutions involved at the different tiers of government.

2 Background & Methodology

VNG International (VNGI), with its headquarters based in The Hague, in assignment of the Netherlands Ministry of Foreign Affairs, is implementing a broad 3-year local development programme, the Local Government Resilience Programme (LoGoReP), with the aim of strengthening resilience of local governments in Jordan and Lebanon to improve living conditions of local populations and refugees from Syria in their host communities.

In the framework of LoGoReP, VNGI collaborates with Dutch, Jordanian and Lebanese local authorities (municipalities and Federations – a.k.a. ‘unions’ – of municipalities), as well as with UNDP, UNHCR and CSOs operating in the targeted areas.

Between November 2016 and April 2017, LoGoReP conducted a comprehensive capacity mapping survey of 49 out of the then-56 active municipal Federations in Lebanon (now 58),¹ which agreed to take part in the survey following an official circular of endorsement obtained from the Ministry of the Interior and Municipalities (MOIM). Data-sets were entered into a searchable database that allows aggregation and disaggregation of results as well as correlations between different variables.

This report presents and analyses the findings of the assessment survey, drawing on the data relative to a sample representing 86% of Lebanon’s municipal Federations distributed across 7 governorates (muhafaza, or ‘provinces’) and 25 districts (qada’, or ‘caza’) in the country.²

Surveyors’ teams were deployed on the field to interview elected local officials (presidents and council members of municipal Federations) as well as staff members. The assessment aimed to assess the situation of municipal Federations and the reality of their work.

The data was collected through a questionnaire which thoroughly addressed the institutional capacities of the municipal Federations (human and financial resources, physical and material assets) as well as their performance in providing public services in the different sectors, such as town planning, solid waste management (SWM), water and wastewater management, security, public health, strategic planning and others. The survey questionnaire was divided into the following themes:

1. Creation and membership size of the municipal Federation
2. Geographic data
3. Demographic data (population)
4. Residential and non-residential (commercial) units
5. Headquarters, premises and available equipment
6. Human resources and administrative structure
7. Financial resources

¹ As of 22 June 2016, Lebanon counted 56 municipal federations. In 2017, 3 municipalities seceded from the Northern-Lebanon Danniéh Federation (included in the VNGI survey) to form their own entity, the ‘Jurd Danniéh’ Federation, as per government decree No. 2483 dated 6 June 2017.

² In September 2017, the Lebanese government decreed the creation of a ninth governorate in Kesrouan-Jbeil, carved out of the Mount-Lebanon governorate. Until then, Lebanon counted 8 governorates, including Beirut. The latter was not studied as the mapping targeted exclusively municipal federations

8. Master Plan, Emergency Preparedness, Project Management skills
9. Projects conducted in the past 5 years and cooperation partners
10. SWOT analysis

The accuracy of the collected data varies depending on the different accounts given by the interviewees. Most sources of data, such as annual budgets, financial balance statements, qualifications and age structure of staff, are purely declarative and thus depend on the familiarity and accuracy of the information held by the interviewees. Some information, retrieved from primary sources like archived documents and reports, can be considered reliable. Many figures, however, are the result of an estimation, sometimes a rough one; their accuracy therefore varies from one interviewee to the other. Figures relative to the geographical area of the Federation, financial figures and budget size, resident population, number of refugees before and after the war in Syria, often reflect trends rather than accurate numbers; in the first case (geographical area), the sum of the areas reported in the questionnaires exceeds the total area of Lebanon; in the second (finance), the information was often subject to imprecision, even though it is classified as public – thus compulsorily publishable – as per Lebanese laws.

Where an interview with the head of the municipal Federation proved impossible, the surveyors' team was redirected to a staff member whose varying degrees of knowledge were sometimes reflected in random estimations and answers, inability or refusal to answer.

Taking into consideration these limitations, the results of the survey should be seen as capturing trends and perceptions, as a comprehensive and empirical study would have required a considerable amount of time and effort to locate, collect and triangulate the data for every municipal Federation individually.

3 Introduction

Since the beginning of the war in Syria, Lebanon has been catapulted at the forefront of the Syrian refugee crisis; since 2011, it has received around 1.5 million refugees from Syria, who account for more than 30% of Lebanon's resident population today (estimated at around 4.6 million). Given the country's weak economic position, the refugee crisis has placed an enormous socio-economic burden on the host communities. An interesting fact is that less than 15% of Syrian refugees in Lebanon live in informal tented settlements. The remaining 85% are integrated into the Lebanese communities – both in urban and rural areas – in which they often compete for jobs, resources and essential services.

Because of the 2014–2015 power vacuum at the central government level, the First Lebanon Crisis Response Plan (LCRP) was launched in December 2014 without a coordinated central government response. Meanwhile, the influx of refugees was exacerbating existing problems and increased pressure for change. Because of the gridlock at the national level, the burden of service delivery fell onto local authorities (municipalities and Federations/unions of municipalities).

Many local authorities have demonstrated an eagerness to improve their local situations and provide solutions for the needs of both their constituencies and the refugees. However, they face considerable challenges in managing refugee presence and delivering basic services to their citizens in terms of security, solid waste disposal processing, WASH (water, sanitation, and hygiene), energy, and infrastructure. Indeed, local authorities are restricted in their theoretically large scope of action by weak administrative bodies and scarce financial and human resources as it was confirmed empirically by the results of the present study.

Nevertheless, the only democratically elected governance structures that continued to operate with relative efficiency throughout the Syria crisis were the local authorities, who became de facto primary interlocutors to the international donor organisations and local CSOs, to fill the service delivery vacuum.

4 Political and legal framework

To understand how municipal Federations in Lebanon operate, an overview of the political and legal framework of local governance is required.

Lebanon is a unitary state divided into four administrative tiers of government:

1. The Council of Ministers, the Parliament, the ministries, and other central government bodies and agencies (incl. oversight agencies) represent the **central government**.
2. **Two deconcentrated tiers³**: There are currently nine governorates at the higher deconcentrated level, which are in turn subdivided into 25 districts at the lower level. The governorates are: Beirut, Mount-Lebanon, Kesrouan-Jbeil, North-Lebanon, Akkar, South-Lebanon, Nabatiyé, Beqaa, and Baalback-Hermel. The governorate of Beirut does not subsume a qada'. Governorates are headed by a governor (muhafez) while districts are presided by a qa'imaqam (district chief). Both are civil servants in the central administration appointed by a decree taken in the Council of Ministers. Their essential duty is to represent the central government and the ministries, except of Foreign Affairs, Justice, and National Defence.
3. **One decentralised tier, represented by the municipalities and Federations of municipalities** (often called 'unions'). According to MOIM, Lebanon counts 1,038 municipalities as of October 2017.⁴ This is a very high ratio by international comparison. There are currently 58 Federations of municipalities, comprising membership of approximately 75% of Lebanon's municipalities (see **Annex I: Map of municipal Federations as of October 2017**).

³ Deconcentration is defined here as the territorial representation of the central authority in the regions.

⁴ Source: General Directorate for Local Administrations and Councils (MOIM), October 2017.



Figure 1 — Administrative Map of Lebanon (October 2017)

Borders of governorates in red

Borders of districts in green

Borders of towns/localities in light grey



Figure 2 — Government tiers in Lebanon (July 2017)

Source: DRI. (Apr 2017). *Decentralisation in Lebanon: The State of Play. Briefing Paper No. 80.*

Election and Formation of Municipal Councils. — Municipalities are governed by a council that enjoys administrative and financial autonomy. It is entirely elected by a direct vote on a first-past-the-post majority basis for a period of 6 years. The municipal council elects the mayor and deputy mayor during its first session.

The municipal council holds policy-making power over all matters whereas the mayor presides over the executive power, except for the Municipality of Beirut where, for historical and political reasons, the government-appointed governor of Beirut chairs the executive authority, while the mayor chairs the elected council and remains part of the policy-making power.⁵

Neighbouring municipalities can aggregate to form a **Federation of municipalities (or municipal Federation)** while retaining their individual autonomy and administrative sovereignty. The difference between a municipality and a Federation is that the latter does not enjoy administrative autonomy: the council of the Federation is not elected directly by the local constituents. Rather, it counts one representative of each member-municipality, which means that the council size has as many members as there are municipalities. Most of the time, the member-municipality is represented in the Federation council through its mayor, but it can be represented by a member of the municipal council upon the request of the mayor (as per prior agreement between both). Usually but not bindingly, the Federation is headed by the mayor or the representative of the Federation's largest municipality.

The mandate of the Federation council expires with that of the municipal councils, i.e. every 6 years.

⁵ From a strictly legal perspective, the mayor of Beirut is no different from his fellow council members. In practice, however, he serves as the leader and the spokesperson of the elected council.

Scope of Authority of Lebanese Local Authorities. — The law mandates to local authorities a great deal of financial and administrative responsibilities pertaining to health services, town planning, infrastructure development, community safety, housing, socio-cultural activities etc. In practice, however, local authorities are grappling with bureaucratic hurdles, weak institutional capacity, and a continued dependence on central government equalisation transfers to deliver adequate services. Socio-economic underdevelopment is a further impediment to proper service delivery: poverty, unemployment, lack of job opportunities, brain drain, urban sprawl severely affect the Federations’ capacity to carry out their duties. Many of these constraints are expressed in the SWOT analysis (Figures 8–9).

According to the Lebanese Municipal Act (1977), local authorities are responsible for managing all local affairs within their geographic area. ‘Each work of public character or interest, in the municipal area, falls within the scope of the municipal council’s competence.’ Furthermore, the municipal council is entitled to express its recommendations, observations, and suggestions in all domains related to the public interest within its geographic area (Art. 47). These are listed ‘by way of example and without restriction’ (Art. 49). The decisions and regulations promulgated by the local council regarding the issues falling within its competence are compulsory within its geographical area (Art. 48), thereby granting the Lebanese local authorities a considerable room for manoeuvre, at least in theory.

Municipal Federations are granted similar powers to conduct **common projects** pertaining to the same domains and taking place within the geographic area of the Federation (Art. 129).

Finally, the head of the executive authority (i.e. the mayor, except for the Municipality of Beirut where this position is assumed by the governor of Beirut) enjoys generous prerogatives, as per Article 74 of the Municipal Act. These prerogatives are not always clearly defined – the text lists them ‘without limitation’ provided they do not contravene national laws. Mayors often profit from the liberality of the law to take extreme measures using the arguments of ‘urgency’ or ‘prevention’ – for instance, curfews and mobility restrictions targeting refugees.

Given the wide array of competencies granted to them for the implementation of local development projects and provision of public services, the Lebanese local authorities can become instrumental actors in achieving local development.



Figure 3 — The Separation of Powers in Lebanese Local Authorities

Source: DRI. (Apr 2017). *Decentralisation in Lebanon: The State of Play. Briefing Paper No. 80.*

5 Municipal Federations: Trends

5.1 Emergence and Proliferations of Local Authorities since 1977

Municipal Federation as a structured entity federating member-municipalities and enjoying financial autonomy was introduced for the first time in the Municipal Act (dated 30 June 1977) which is still in force today.

During the Lebanese civil war (1975–1990) a total of 10 municipal Federations were created, the first ones being the Kesrouan-Ftough Federation* and Al-Bohaira Federation in 1977, both established shortly upon the promulgation of the Municipal Act. By that time, Lebanese municipalities were largely inactive because of the internal displacement of populations triggered by the war hostilities and the progressive dissolution of the municipal councils, which had been last elected in 1963. The emergence of a relatively high number of federated local government structures despite the protracted central government gridlock and the incapacity of the state apparatus to function, points to their functional flexibility and their effective ability to drive local development. Although half of the municipal Federations were created in the Mount-Lebanon governorate⁶, which had been long considered a relatively privileged area, the other half emerged in peripheral, under-developed areas, such as the Federations of Shqif in Nabatiyé (1982), Al-Fayhaa' (1982) and Zgharta (1987) in North-Lebanon, and Al-Sahl in the Beqaa (1987).

It is equally interesting that no Federation was established during the post-war years until the resumption of the municipal elections in 1998. Upon the election of new municipal councils after 35 years of suspension and the restoration of local government activity, municipal Federations proliferated quickly – 60% were established between 2000 and 2009, 20% since 2010. In the last two years alone (2015 onwards), more than 5 new Federations have seen the light of day. All in all, 73.5% of the municipal Federations were established since 2000 – all of them in Akkar and North-Lebanon.

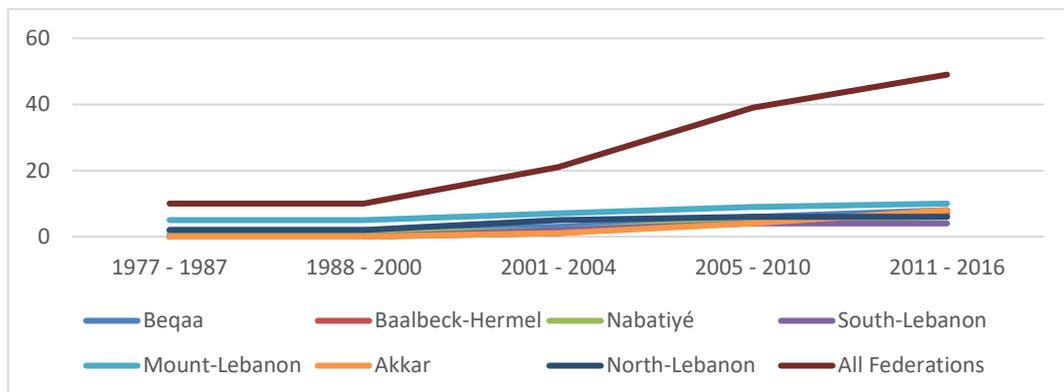


Figure 4 — The growth of Municipal Federations in Lebanon since the year 2000

* Not included in the mapping.

⁶ Namely the federations of Shouf-Sweijani (1979), Higher-Jurd – Bhamdoun (1981), Higher Metn (1981), Southern-Iqlim al-Kharroub (1982) and Jbeil/Byblos (1982).

Similarly, the number of municipalities in Lebanon has rapidly increased, from around 600 in the early 1990s to 1,038 today, a phenomenon which carries both positive and negative implications. On the one hand, the proliferation of municipalities offered local communities in the remotest and most peripheral areas a greater autonomy in meeting local needs through democratically elected councils and curbing the long-standing influence of deconcentrated authorities over non-municipal areas. On the other hand, this trend resulted in creating smaller and weaker municipal entities, and hence the need of those municipalities to aggregate and pool their resources into a higher level of local government which we observe today.

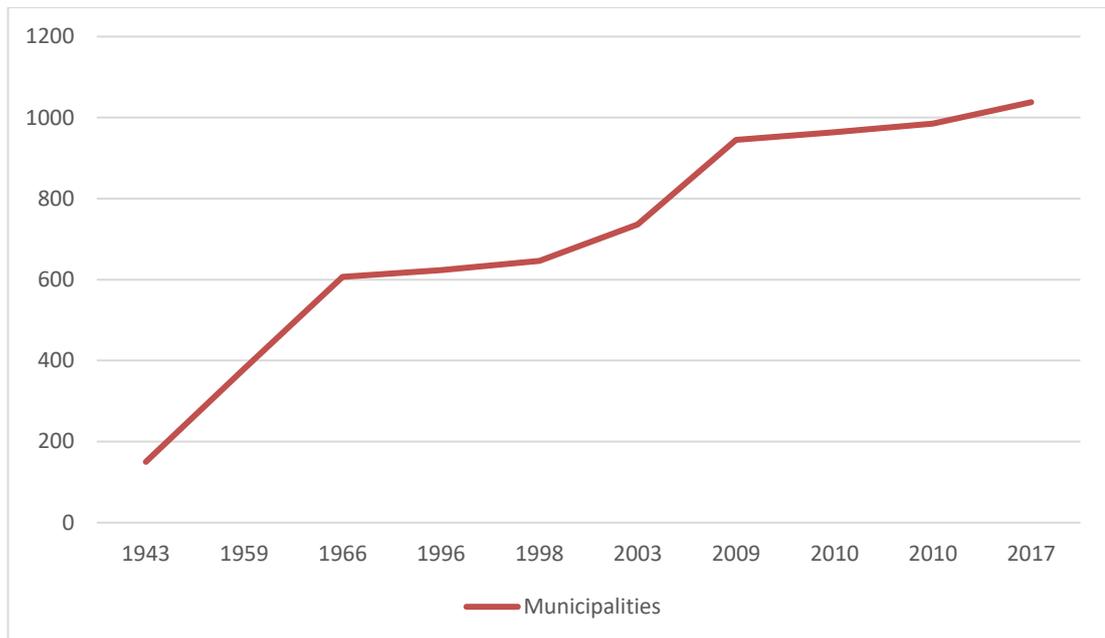


Figure 5 — The proliferation of municipalities in Lebanon (1943–2017)

Considering that 75% of Lebanon's municipalities are regrouped under the banner of a Federation,⁷ the multiplication of municipal Federations in Lebanon is an opportunity for local communities, central government authorities and international donor organisations alike to achieve developmental goals at the local level.

⁷ Given that the 49 federations in the sample comprise 658 out of 1,038 municipalities, an extrapolation indicates that today's 58 federations would comprise 75% of the municipalities in the country (779 in total).

5.2 Size and Features

There are, by law, no explicit limitations as to the minimum and maximum number of member-municipalities in a Federation. According to the Municipal Act, the Federation subsumes 'a number' of municipalities, which technically could be as little as two. The smallest Federation is composed of three municipalities (Al-Fayhaa') while the largest ones brings together as many as 61 (Sour/Tyre) and 63 (Kesrouan-Ftouh*). The membership size is not, however, a dependable indicator of institutional capacity: both Al-Fayhaa' and Kesrouan-Ftouh, the smallest and largest Federations in size, respectively, are among the most financially and institutionally potent Federations.

Contrary to a widespread assumption, it is not legally mandatory for municipal Federations to regroup contiguous municipalities (exemplified by the territorially scattered Federation of Jbeil/Byblos). Similarly, while there are no legal grounds for restricting their membership within the confines of the existing administrative districts, as is currently the case of all Federations.

Demography. — The permanent Lebanese population within the area of the surveyed municipal Federations is approx. 2.5 million residents, which represents around 65% of the total permanent resident population (estimated at around 4.6 million). To the permanent population we should add seasonal residents (summer and winter residents, work residents) who amount to 800,000 people, which yields a total of 3.3 million public service users. Considering that the population residing within the administrative borders of Beirut is estimated at around 1.1 million, it is fair to assume that municipal Federations assume a vital responsibility in ensuring that approximately two thirds of the Lebanese population benefit from development projects and public services.

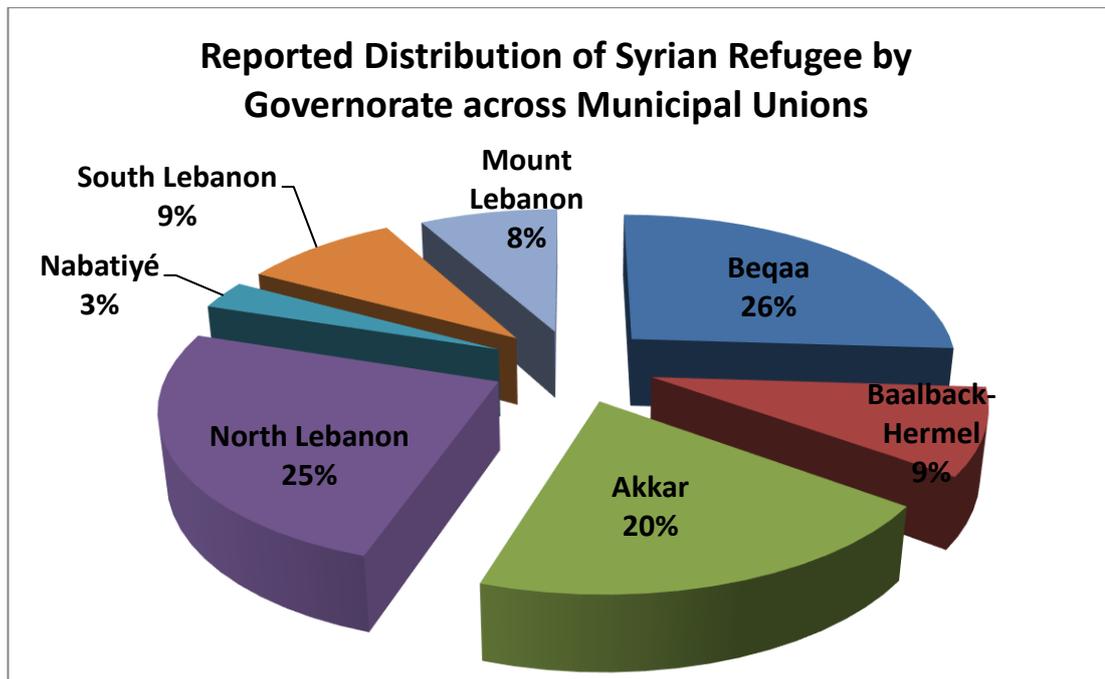
5.3 Impact of the Refugee Crisis

The above figures do not take into consideration the estimated 1.2 million refugees from Syria in Lebanon today. The responsibility of local government authorities is even greater today given the increasing number of residents.

In the absence of a census mechanism at the municipal level, municipal Federations deliberately resort to inflating refugee numbers as a tactic to attract a greater share of donor assistance. The rough estimations provided by the Federations point to a 628% increase in the number of Syrians in their territories from an estimated 158,000 in 2011 to around 992,500 in 2017⁸.

⁸ This number includes registered and unregistered refugees. It also encompasses the population residing within the *administrative* area of the Federation and the population residing within the *geographical* area surrounding it

The numbers reported by the federations reveal that most refugees are concentrated in the peripheral areas of the country that are adjacent to Syria, is worthy of attention: 35% live in the Beqaa region (governorates of Beqaa and Baalback-Hermel), 20% in Akkar, and 25% in the North Lebanon Governorate. The territorial distribution of refugees coincides, to a considerable extent, with the high-vulnerability areas highlighted in UNHCR's Lebanon vulnerability map of March 2015⁹, but also the traditionally marginalised and poverty-stricken areas of the country, e.g. Akkar and the poverty belt around Tripoli/Al-Fayhaa', Dannieh, as well as the Beqaa Valley (governorates of the Beqaa and Baalback-Hermel).



This sudden demographic increase is a prominent challenge to the institutional capacity of the municipal Federations, which now must cater to the needs of more people with the same level of pre-crisis resources as refugees hardly pay local taxes.

This population increase is a prime factor behind the increasing generation of domestic solid waste and wastewater that remains largely untreated¹⁰, not to mention increasing electricity, education, health and security requirements. In the SWOT analysis, waste management and threats to livelihoods are listed as the two most important threats (Figure 9).

The influx of refugees from Syria has also severely affected the urban landscape. The refugees are, for the most part, settled on agricultural land, in tents or unfinished housing, which has negative implications on land use.

⁹ UNHCR. 2015. *Most Vulnerable Localities in Lebanon*. UNOCHA: March 2015. <http://data.unhcr.org/syrianrefugees/download.php?id=8698>. Accessed 15.12.2017.

¹⁰ It is estimated that solid waste generation increased by 15% whereas waste water increased between 8% and 14%.

5.4 Internal Cohesion: A Major Strength

In the SWOT analysis (Figure 7), internal cohesion and cooperation between member-municipalities is cited in 53% of the cases as the major strength of municipal Federations (48/90). It is cited as a weakness only in 5% of the cases (Figure 8). Moreover, the multi-sectarian character of many Federations is largely acknowledged as an asset rather than an impediment to local development, as sectarian diversity ranks third among the opportunities identified by the study.

Most Federations perceive their work as efficient thanks to the spirit of solidarity and the sense of ownership of the different programmes and projects implemented by the Federation. This joint ownership stems from the fact that member municipalities face the same developmental and administrative challenges within their territory.

This joint ownership and complementarity has a direct impact on governance: decisions are made in an agile manner and are often taken by unanimity, which signals openness and good will on the part of municipal officials, across all regions, to develop and nurture partnerships and joint projects in the interest of their community. It is a clear acknowledgement of their common responsibility as agents of local development that are vested with a democratic legitimacy and a policy-making function.

5.5 Emergency Preparedness

Despite the demonstrated resilience of the Municipal Federations (and their member municipalities) in absorbing and managing the Syrian refugee influx, it has been hardly linked to a structured emergency preparedness plan.

Roughly, around two thirds of the municipal Federations declare to have discussed an Emergency Preparedness Plan in their council meetings (Figure 6). In most of the Federations (59%), the prime reason behind the absence of such a plan is the lack of financial resources. Only 8% of the Federations (1 in the North and 3 in the South) claim to dispose of the sufficient funds to implement an Emergency Plan. There is, however, no data as to whether these Federations are effectively able to carry out this plan during an emergency.

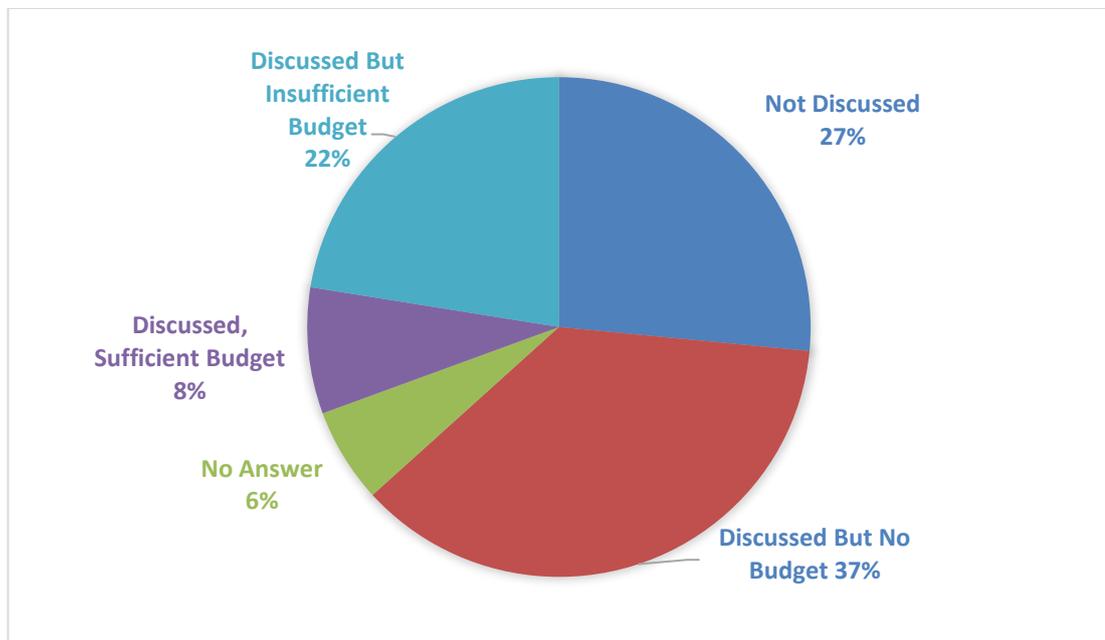


Figure 6 — Emergency Plans in Municipal Federations

This low emergency preparedness capacity is organically linked to the technical and administrative capacity of the municipal Federation to design and execute and emergency preparedness plan, namely:

- Availability of funds, cited by 59% of the Federations as the major hindrance;
- Availability of an Emergency Response Unit within the core organisational structure of the Federation with sufficient civil servants to staff it;
- Availability of external expertise, mostly provided by specialised local and/or international organisations that assist and train the Federation to design the Emergency Plan and carry it out;
- Sufficient number of police or security forces at the level of the Federation that are trained to carry out the Emergency plan in coordination with the Federation president and external competent units;
- Institutionalised coordination with specialised actors and institutions, such as the state police, the Internal Security Forces (ISF), the Red Cross/Crescent, hospitals in the region etc. that are cited in the Federation's Standard Operating Procedures in case of an emergency;
- Institutionalised coordination with specialised citizens committees that participate in the development of the Emergency plan and play a central role during an emergency – this committee is missing in all the surveyed Federations.

An Emergency plan therefore requires a high institutional capacity and a network of institutionalised relationships, internally and externally, on which Federations should rely for an efficient implementation. Most of the time, these pre-requisites are not available.

5.6 Transparency: A Long Way Ahead

Transparency is still a sticking point among elected local officials. In the SWOT analysis (Figure 7), it is cited by less than 7% of the Federations as a source of strength. This is a very low score given that the publication of information such as council decisions, budgets, financial and administrative documents of public nature is a mandatory function warranted by the Municipal Act (Art. 45 and 55), the Access to Information Act (No. 28, dated 10 February 2017), and the MOIM circular No. 13236 (dated 6 September 2017) which encouraged all local authorities to take the necessary measures in applying the Access to Information Act.

This signals a weak democratic practice in the relation between the Federations and the citizens. Most of respondents appeared overly sceptical towards the publication of information pertaining to their work. A common argument for this scepticism is that citizens, civil society actors or opposition groups can take advantage of the right to access information to question the performance of Federations in a disruptive way and stir controversies or even defamation campaigns among the local community. This perception needs to be changed and aligned to the global best practices where transparency and citizen scrutiny are the predicaments for improved municipal performance.

Notable exceptions are the Federations of Danniye (North) and Jabal El-Sheikh (Beqaa), which are publishing their decisions in a fairly systematic manner. At the municipal level, Zahlé is among the recent implementers of the Access to Information Act.

Even among the Federations that boast of their transparent governance style, it is not confirmed whether their understanding of transparency translates into the automatic publication of public information, as stipulated in the law. It is common practice that Federations only provide documents upon written request. These are usually processed very slowly and not always fulfilled: public financial documents are often perceived as containing 'sensitive' information and are often not granted. Therefore, transparency is a subjective self-designation that does not necessarily offer a reliable indicator that legal provisions are effectively applied. This affected by and large the quality of the financial data available for this study.

6 SWOT Analysis

The SWOT analysis that was carried in the 49 Federations that took part in this study provided enough material to produce several additional volumes as it was based on qualitative introspection rather than close-ended questions. This required a significant effort for a multiple clustering of answers.

The clustering reveals that surveyed municipal Federations were able to identify only 22 opportunities, as opposed to 96 weaknesses, 90 strengths and 79 threats. Weaknesses and threats combined yield 61% of the results, while strengths and opportunities yield 39% (Figure 11). This means that elected local officials are more aware of their internal and external limitations, even though they can identify many sources of strength and resilience as well as possible solutions.

The Federations of Nabatiyé, Mount Lebanon and North Lebanon listed the highest number of strengths and opportunities while the Federations of Akkar, North Lebanon and the Beqaa listed the highest number of weaknesses and threats. Unsurprisingly, these 3 Federations are the most concerned with the Syrian refugee influx. The results of the SWOT analysis are discussed across the various relevant sections of the study rather than in a standalone chapter.

Strengths

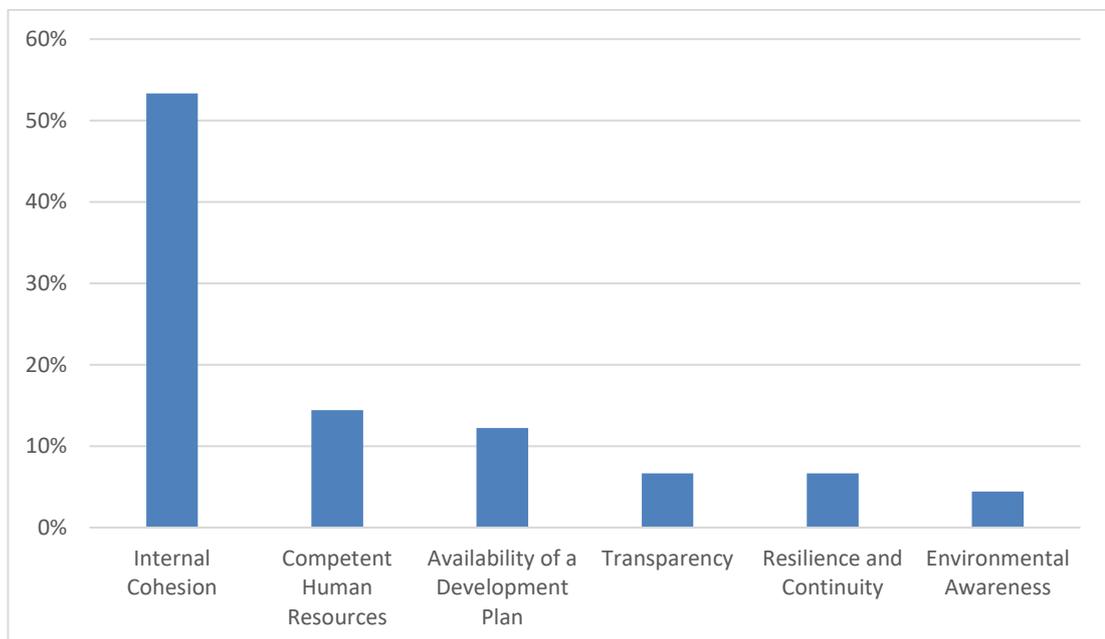


Figure 7 — SWOT Analysis: Strengths

Weaknesses

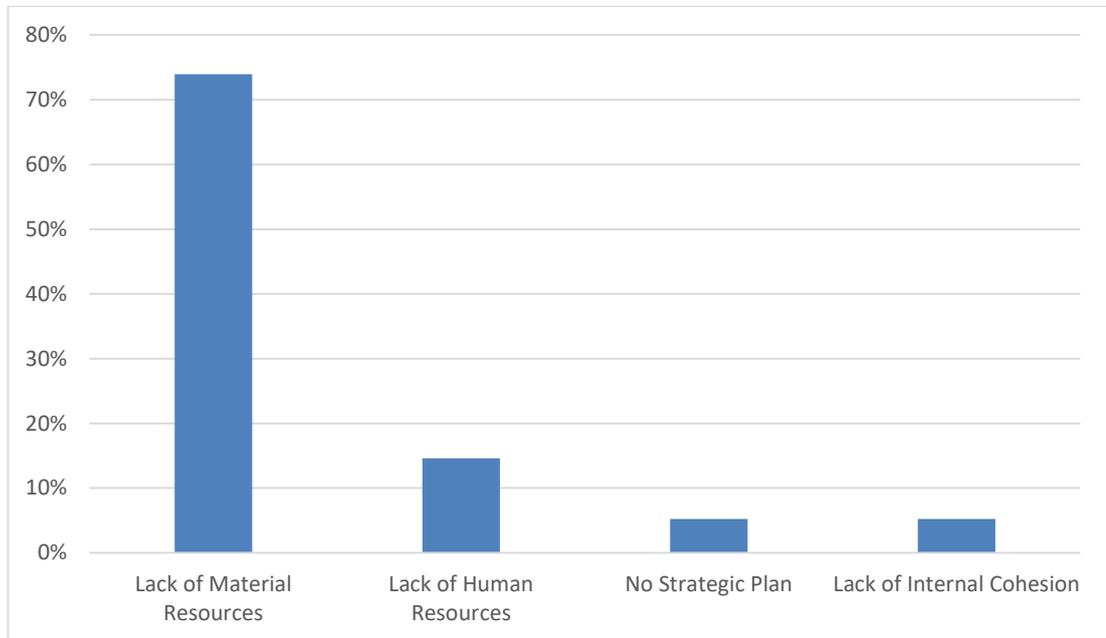


Figure 8 — SWOT Analysis: Weaknesses

Threats and Challenges

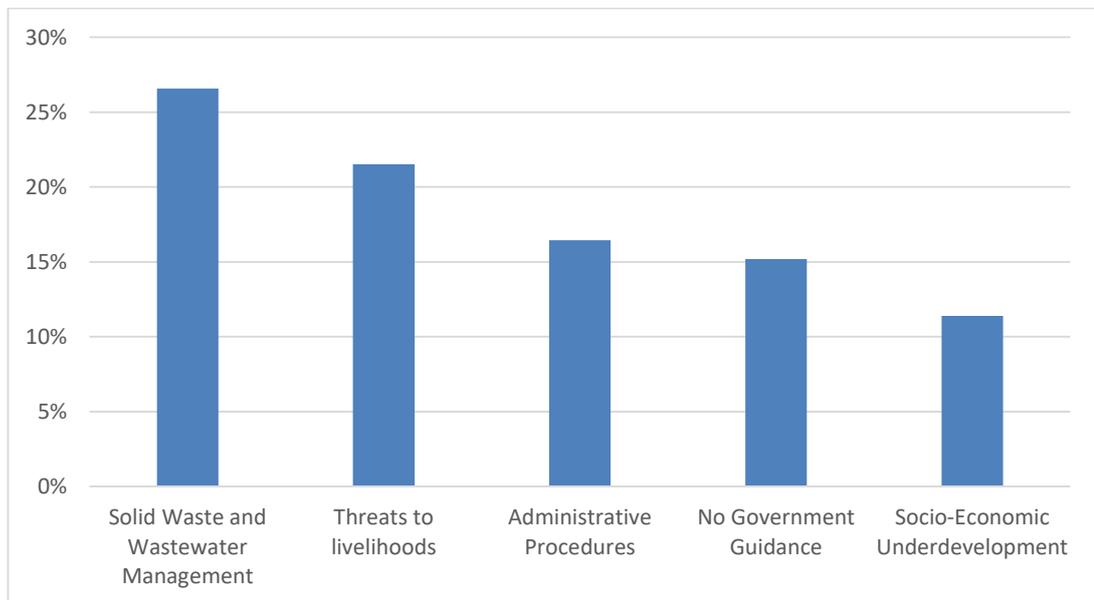


Figure 9 — SWOT Analysis: Threats and Challenges

Opportunities

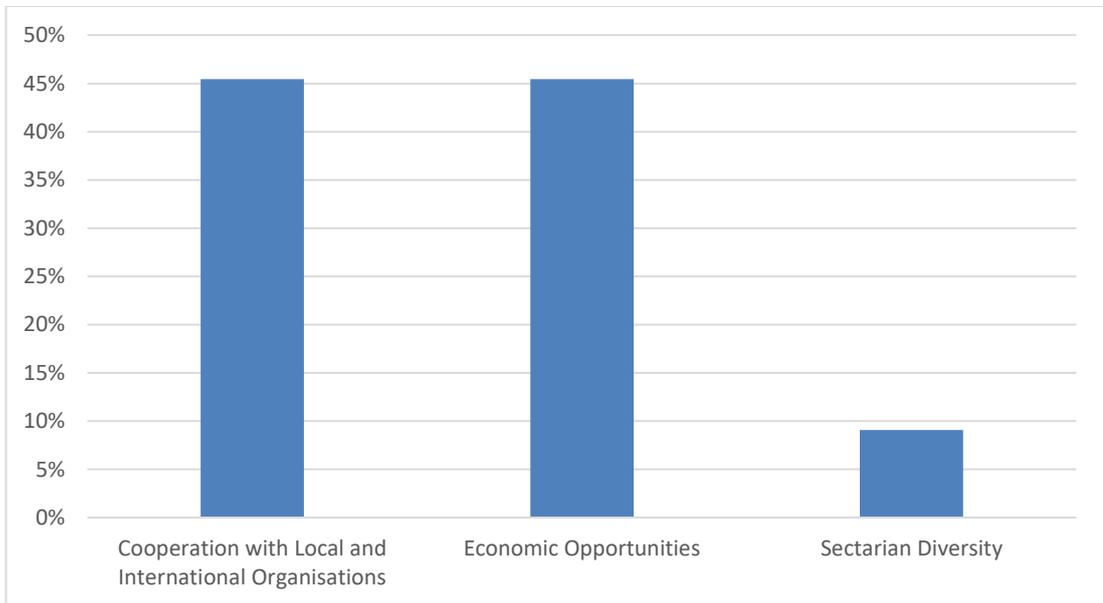


Figure 10 — SWOT Analysis: Opportunities

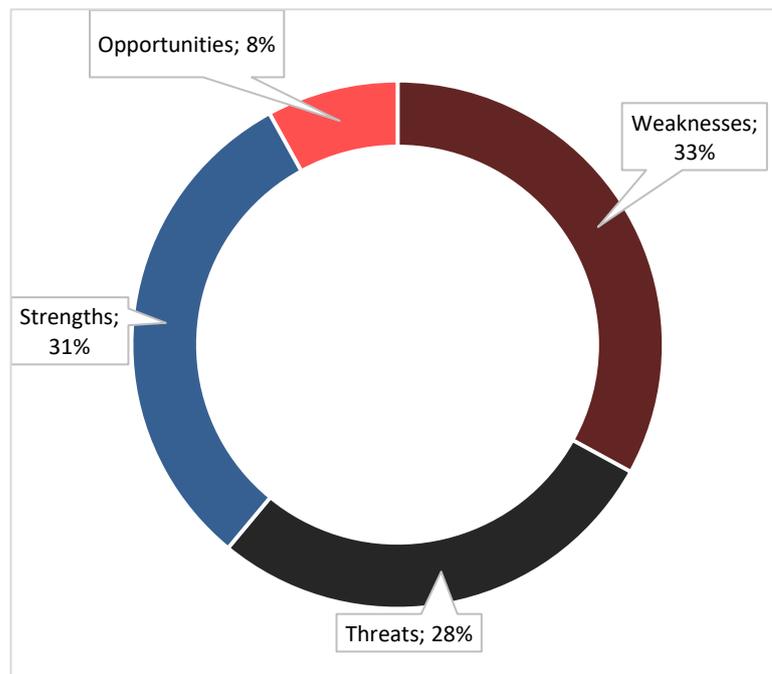


Figure 11 — SWOT Ratios

7 Material Assets in Municipal Federations

7.1 Equipment Needs

Despite the high rate of computer penetration, the use of IT in municipal work remains timid. All municipal Federations seem to be equipped with computers, along with the basic office appliances (printers, phones, photocopy machines). The number of computer stations ranges from 1, in the smallest units, to a maximum of 10 in the three largest Federations (Al-Fayhaa', Sahel Al-Zahrani, Baalback). Relatively to the size of large Federations (such as Al-Fayhaa') and the scale of the local needs, these numbers appear to be rather modest.

On the other hand, computerisation does not necessarily mean digitisation. Computer stations remain stand-alone and are rarely integrated into a central server, intranet, IT or data management system. In the same vein, while all Federations have declared to use e-mail, they seldom dispose of an institutionalised intranet e-mail system. Typically, mayors and councillors resort to using their private e-mail addresses or those of their assistants – even their relatives' – for the purposes of their municipal work. As such, and in the absence of a legal framework for e-governance, official correspondence and administrative services are still processed in hard copy, mostly through fax and hand-delivered mail. E-mail usage remains sporadic and unsystematic because it is perceived by elected local officials and municipal civil servants as an 'unofficial way of doing.' Nevertheless, one finds notable exceptions, such as the Federation of Jezzine, where intranet is an integral part of the work routine.

As such, it is understandable that only 10% of municipal Federations use a Geographic Information System (GIS), an essential tool in town/land-use planning, zoning, tax collection and overall monitoring of the municipal areas. Only 6% of the Federations consider GIS as a needed equipment (Table 2). Aside from the low level of digitisation, the prime factor behind low GIS usage is the lack of awareness about the system's practical advantages and its functional benefits for the municipal administration. Although the costliness of the GIS license is often cited as an argument against its introduction, the efficiency of open-source GIS software has long been established and should serve as a workable solution. Such an open-source GIS system has been piloted successfully by VNGI in the Al Bouhayra Union.

Aside from the basic office appliances, the equipment available to the municipal Federations remains largely basic. It is summarised in Figure 12 below:

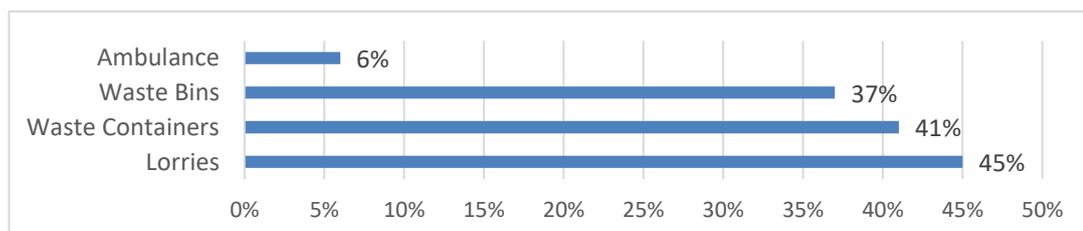


Figure 12 — Available Equipment in Municipal Federations

As for the needed equipment, it remains largely 'traditional' and indicates little interest in improving internal management systems and e-governance. Instead, Federations almost exclusively request equipment to execute basic infrastructure works (Table 2). Lorries represent 57% of the needed equipment; they are used for construction, road works, waste collection and sewage maintenance. Vehicles are the second most needed equipment (21%): police cars, rescue vehicles, service cars, fire engines.

Table 2 — Requested Equipment Items

Equipment Item	Total
Lorries	81
<i>Construction lorries, incl. bulldozers, excavators, cranes, road rollers</i>	36
<i>Not Specified</i>	21
<i>Waste lorries, road cleaner</i>	18
<i>Sewage maintenance truck</i>	5
<i>Water lorry</i>	1
Vehicles	30
<i>Police Car</i>	11
<i>Ambulance, rescue vehicle</i>	10
<i>4x4 Service Car</i>	5
<i>Fire Engines</i>	4
Office Supplies & Appliances	22
Waste containers	6
GIS	3
Total	142

7.2 Condition of the Federations' Premises

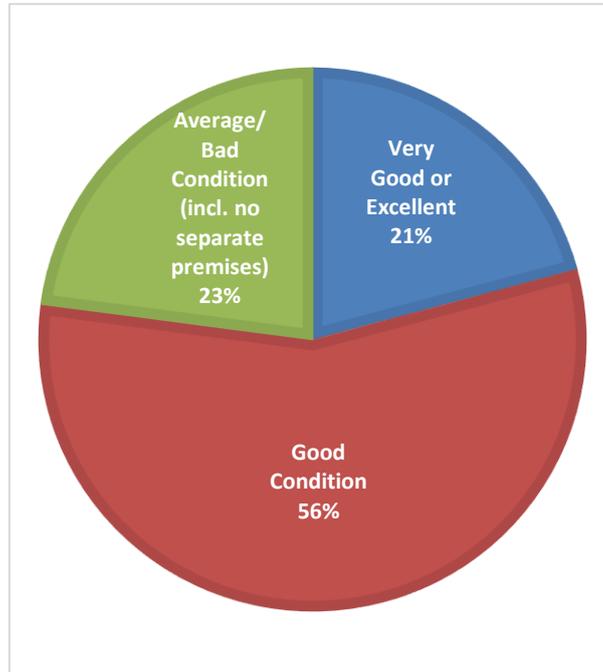


Figure 13 — Condition of the Premises of Municipal Federations

The availability of headquarters is a significant indicator of the degree of independence that a municipal Federation effectively enjoys. Only 35% of the Federations own the premises they operate from, while half of them (49%) resort to rental. 8% of the Federations reportedly borrow premises of their own, free of charge, from an unspecified public or private entity, while another 8% (3 cases) are hosted by a third institution, typically, the biggest municipality in the Federation.¹¹ In the latter case, it is often difficult to delineate between the activities of the Federation and those of its 'capital', more so because the mayor of the latter typically – even though not necessarily – chairs the former. It is unclear whether Federations are hosted against a payment or not.

¹¹ In one case, the federation premises are transitionally hosted by a private company owned by the federation president.

Table 3 — The Status of the Federations' Headquarters

Status Region	Ownership	Rental	Borrowing	Hosted	No Answer
Beqaa	21%	58%	7%	—	14%
North	29%	57%	7%	7%	—
South	45%	36%	19%	—	—
Mount- Lebanon	50%	40%	—	—	10%

The relatively high ownership rate (particularly observed in Mount-Lebanon and in the Southern part of the country) can be understood as a sign of better financial health, or institutional stability. It doesn't owe much to the Federation's years of service (following the assumption that, the older the Federation, the more institutionally stable it is). Only 35% of the Federations that own their premises were founded before 1990; the remaining 65% were established between 2002 and 2011.

Whatever the case may be, the overall figures indicate that most municipal Federations still struggle to achieve a basic status, which constitutes a major impediment to sustainability.

8 The Administration of Human Resources

Municipal Federations are composed of a policy-making power, embodied by the Federation council, and an executive power, embodied by the Federation administration. The president of the Federation is both the chief executive and the head of the policy-making body.

The basic structure of the executive body, as set forth in the Municipal Act, includes at least 5 administrative units or departments which constitute the institutional backbone of the Federation, namely:

1. The administration department: It is responsible for all administrative procedures, archiving and filing standards, developing and carrying out an office management strategy and an assets management strategy.
2. The finance department: Conducts financial tasks, supports the policy-making body in preparing, implementing and controlling the annual budget, preparing the yearly balance statement.
3. The local police forces: They are responsible for maintaining security and safety within the area served by the Federation. Typical units include: local police forces (a form of local *gendarmerie* after the French model), guard forces, fire unit, and an emergency intervention unit.
4. The engineering and health department: Although engineering and health are distinct functions, they are, in the Lebanese Municipal Act, merged into the same unit. While the health department is responsible for health control and reporting on health violations, the engineering department oversees and processes the technical issues pertaining to civil and agricultural engineering, building permits, town planning, public and infrastructure works. The engineering unit is a vital administrative component that is vested with the following tasks:
 - Technical scrutiny on applications for building permits;
 - Reporting on building violations;
 - Providing the technical specifications for the procurement of supplies, works and services;
 - Providing technical input on all matters, particularly town planning, zoning/land-use strategy, expropriation plans, housing permits etc.
5. The chief administrator: The duty of the chief administrator is to ensure the efficient performance of all the departments within the Federation and the execution of the decisions taken by the president and the council of the Federation. S/he acts as the connecting link between the executive power and the policy-making power.

The Federation may establish a separate unit for each of the abovementioned functions, as it may establish additional specialised units pertaining to all matters of public interest that are warranted by the Municipal Act, e.g. social affairs, emergency response, environment, IT, education, agriculture, industry, local development, etc.

The administrative and financial departments are the most common; they are found in 78% of the Federations, followed by the engineering department and the local police department which are present in only 63% and 56% of the cases, respectively. Around 25% of the Federations dispose of specialised departments such as health, environment, agriculture and emergency response.¹² There is a positive correlation between the availability of all these departments and the lifespan of the Federation.

The absence of these administrative units, required by law, in some – or many – Federations is remarkable. Taken in the opposite way, 22% of the Federations lack administrative and financial departments while 37% of them function without an engineering department. This signals that roughly one Federation in five struggles to perform routine bureaucratic tasks and one in three does not have the capacity to play a leading role in urban/rural planning.

8.1 Availability of an Organisational Chart

Sound governance entails that the administration enacts an organisational structure that sets forth the relationships between the different departments/units and positions with clear terms of references and reporting lines for each branch and each individual role. This is the case in only 59% of the municipal Federations in Lebanon, which signals the absence of a basic bureaucratic infrastructure in 41% of the Federations. It also signals the absence of internal bylaws and standard operating procedures (SOPs)¹³ to regulate the activity of the different branches (Federation presidency, Federation council, financial department, administrative department, local police, engineering department, public health department and others), without which local government authorities are unable to fulfil their developmental objectives in a systematic and accountable way.

The below table fleshes out the availability or unavailability of organisational charts in municipal Federations:

¹² Democracy Reporting International (DRI). (2017). *Public Service Provision in Municipal Unions in Lebanon: Solid Waste Management, Municipal Police and Public Safety, Accountability and Participation*. Final Survey Report. December 2017. Beirut: Lebanon. The survey mapped two thirds of Lebanon's municipal federations.

¹³ Typical rules and procedures that should be adopted by local governments in Lebanon are: Chart of Accounts, Internal Audit Code, Municipal Council Internal Code, Personnel Code, Procurement and Bidding Code.

Table 4 — Un/availability of Organisational Charts in Municipal Federations

Governorate	Beqaa	Baalbeck-Hermel	Nabatiyé	South-Lebanon	Mount-Lebanon	Akkar	North-Lebanon	Total
Org. Chart								
Available	3	5	4	3	7	1	6	29 59%
Not available	4	2	2	1	3	7	1	20 41%
Total	7	7	6	4	10	8	7	49 100%

The existence of an organigramme is primarily linked to two factors:

1. **The lifespan of the Federation.** All Federations founded before 2005 have their own organisational chart. This is particularly observable in North and Mount Lebanon where Federations are comparably older. Conversely, 50% of the Federations created since 2005 do not have an organisational chart. In Akkar, where municipal Federations are a recent phenomenon (the first one, Al-Jouma, was founded in 2002, followed by Jurd al-Qataa in 2005), 87.5% of them do not have an organisational structure.
2. **Financial resources.** Adopting an organogram presupposes that the Federation has the capacity to recruit permanent civil servants on a full-time basis with all the social benefits this entails (social security affiliation, allowances, compensations and pensions). Weaker Federations tend to avoid such financial commitments and favour contractual workers paid on a daily or monthly basis.
3. **Administrative bottlenecks.** By law, the adoption of an organisational structure is subject to MOIM approval. This is a lengthy process (approval of each bylaw document requires 2–3 years or more) in view of the high number of local authorities and the understaffing of the Directorate General for Local Administrations and Councils, which is responsible for reviewing and authorising the adoption of the administrative structure of the local governments.
4. **Good governance.** Despite these obstacles, municipal Federations are malleable, quasi-permanent structures that elected local officials can and should invest in during their six-year mandate. The Federation council, which is legally responsible for developing and adopting the bureaucratic structure of the Federation, can work in a batch-by-batch manner to endow the Federation with the required standard reference texts according to a mid- to long-term calendar.

It is debatable whether the availability of an organisational structure should be introduced as a legal prerequisite for the establishment of a municipal Federation or a municipality. Although this would allow for the creation of local authorities that are based on stronger foundations, it would also curb the emergence of new ones that are, despite their shortcomings, still able to effect a change at the local level.

8.2 Human Resources in Municipal Federations

8.2.1 Staffing Levels and Type

The total number of civil servants in the 49 surveyed Federations is 392, which yields an average of 8 civil servants per Federation – an extremely low number. Their distribution is as follows:

Table 5 — Distribution of Staff Members by Job Category.

Governorate Category	Beqaa	Baalback-Hermel	Nabatiyé	South-Lebanon	Mount-Lebanon	Akkar	North-Lebanon	Total	%
Security/Police	48	5	18	3	46	24	9	153	39
Unskilled Worker	1	12	10	4	18	4	32	81	21
Administration	9	8	16	4	17	7	8	69	18
Technical*	1	4	7	9	14	0	6	41	10.5
Financial	7	4	6	3	11	2	4	37	9
Health	0	0	1	3	1	0	3	8	2
Social Affairs	0	0	1	0	1	0	0	2	0.5
Legal Affairs	0	0	0	0	1	0	0	1	<0.5
Total	66	33	59	26	109	37	62	392	100
No. of surveyed Federations	7	7	7	4	10	8	6	49	

* Engineer (agricultural, civil), topographer, etc

These figures do not differentiate between civil servants hired on a permanent contract and those hired on a temporary (fixed-term) contract that is renewed on a monthly or yearly basis. Temporary contracts also include daily contractors who are typically unskilled workers. As some interviewees may have not counted fixed-term workers as part of the workforce, there may be a discrepancy between the number of civil servants that was declared by the Federation presidents and their actual number. This may explain, for instance, the relatively low number of unskilled workers in the Beqaa governorate which are otherwise an important component of the Federation's workforce.

Analysis per job category. — It is striking that **specialised technical skills** (engineering, health, social affairs, legal) **appear at the bottom of the list of available skills**, with as little as 13% of the workforce. Specialised technical skills peak at 46% in South-Lebanon, going down to 15–16% in Nabatiyé, North and Mount Lebanon, 12% in Baalback-Hermel, 1.5% in the Beqaa, while they are inexistent in Akkar. This is consistent with the abovementioned fact that around three quarters of the Federations lack specialised departments beyond administration, finances and police. Without qualified specialists and specialised departments, Federations are bound to expediting routine administrative tasks and basic public works without being able to take up a leading role in boosting regional development. This observation pervades in many Federations.

With a score of 39%, **security ranks highest** among the job categories. In the Beqaa governorate, this proportion is as high as 73% of the staff members, followed by Akkar (65%), Mount-Lebanon (42%) and Nabatiyé (31%). It is possible to correlate this high proportion with the higher security risk in these regions (car bombs, kidnapping and other security incidents) and the presence of refugees, who are mostly concentrated in the *Beqaa Valley* (governorates of the Beqaa and Baalback-Hermel) and Akkar. However, that would not explain the relatively low proportion of security forces in the Baalback-Hermel region (15%), which shares similar features. In the same vein, while the Beqaa and the North-Lebanon governorates seem to host a similar number of refugees, the size of the security staff is extremely contrastive (73% vs. 14%). A closer analysis of these figures requires a verification of the actual numbers of refugees and civil servants, as well as other intricacies that go beyond the objectives of the present study...

The second most common function in the Federation is of administrative nature, under which we include the **administrative and financial units**, with a consolidated average of 27%. They amount to 40% of the work force in Nabatiyé, 36% in Baalback-Hermel, 26–27% in South and Mount Lebanon, 24% in Akkar and the Beqaa, and 19% in North Lebanon.

Unskilled workers amount to 21% of the workforce overall (52% in North-Lebanon, 36% in Baalback-Hermel, 15–17% in South-, Mount-Lebanon and Nabatiyé, 10% in Akkar and – surprisingly – only 1.5% in the Beqaa).

Inter-regional variation per category is difficult to interpret and would require a case-by-case examination. However, a strict per-category observation shows that the municipal Federations are mostly active in self-administration, delivering administrative services, and conducting basic public works within their area (48% if one compounds the administrative-financial activities and unskilled workers), while specialised technical skills in fields that are crucial for public service provision (such as town planning, health, environment, social affairs etc.) are rare or even lacking (Akkar).

Analysis per region. — The number of local civil servants per municipal Federation varies from a minimum average of 4–5 civil servants in Akkar and Baalback-Hermel to a maximum average of 10–11 civil servants in North and Mount Lebanon, with no consistent correlation with the size of the total revenues (Table 6). The highest number of civil servants is observed in the municipal Federation of Southern Dahiyé (Beirut's southern suburb), with 37 permanent staff members, versus 1 permanent staff member in a couple of Federations in the Beqaa governorate. Again, these numbers must be verified to distinguish better between permanent and fixed-term civil servants.

Table 6—Presidents' Assessment of their Staffing Level

Governorate Staffing Paramet.	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	General Average	
Average number of civil servants per Federation	9.4	4.7	8.4	6.5	10.9	4.6	10.3	8	
Staffing Level Sufficient	2	2	4	2	3	0	0	13	27%
Staffing Level Insufficient	5	4	3	2	7	8	6	35	71%
No Answer		1						1	2%
Total	7	7	7	4	10	8	6	49	100

Overall, 71% of the Federation presidents consider that they are understaffed while 27% of them are satisfied with the size of their personnel. In Akkar and North Lebanon, all municipal Federations consider themselves understaffed, followed by 70% in Mount-Lebanon. It is noteworthy that there is no correlation between the staffing averages and the Federations' own assessment of their staffing needs. In other words, a higher staff average does not imply a higher satisfaction with the staffing level, but the opposite is true. Mount and North Lebanon, which hold the highest averages (10.9 and 10.3, respectively), are the most dissatisfied with their staffing levels (70% in Mount Lebanon, 100% in North Lebanon), along with Akkar and the Beqaa (100% and 71% dissatisfaction rate, respectively). This could mean that, the higher the staffing level, the higher the needs, because a higher institutional capacity entails more responsibilities and more tasks. On the other hand, the dissatisfaction rate may simply be the result of a subjective assessment dictated by the high ambitions and expectations of the elected local officials.

In all cases, 71% of all Federations are not satisfied by their current staffing levels, but at the same time lack the sufficient resources to hire permanent civil servants (who constitute only 34% of the workforce). All Federations are hence bound to hire fixed-term staff that are remunerated on a daily, monthly, or *ad hoc* basis (21% and 41%, respectively), and without any guarantee of continuity should they find a better livelihoods opportunity outside the Federation.

Assuming that resources are made available, the hiring procedure for municipal civil servants is lengthy and subject to multiple layers of approval. Depending on the situation it either falls under the jurisdiction of the Civil Service Board (the recruitment agency for central government administrations) or MOIM and the administration of the Governorates.¹⁴ As such, the date of establishment of the Federation is often a revealing indicator of its staffing level; the older the Federation, the closer its staffing level to the general average.

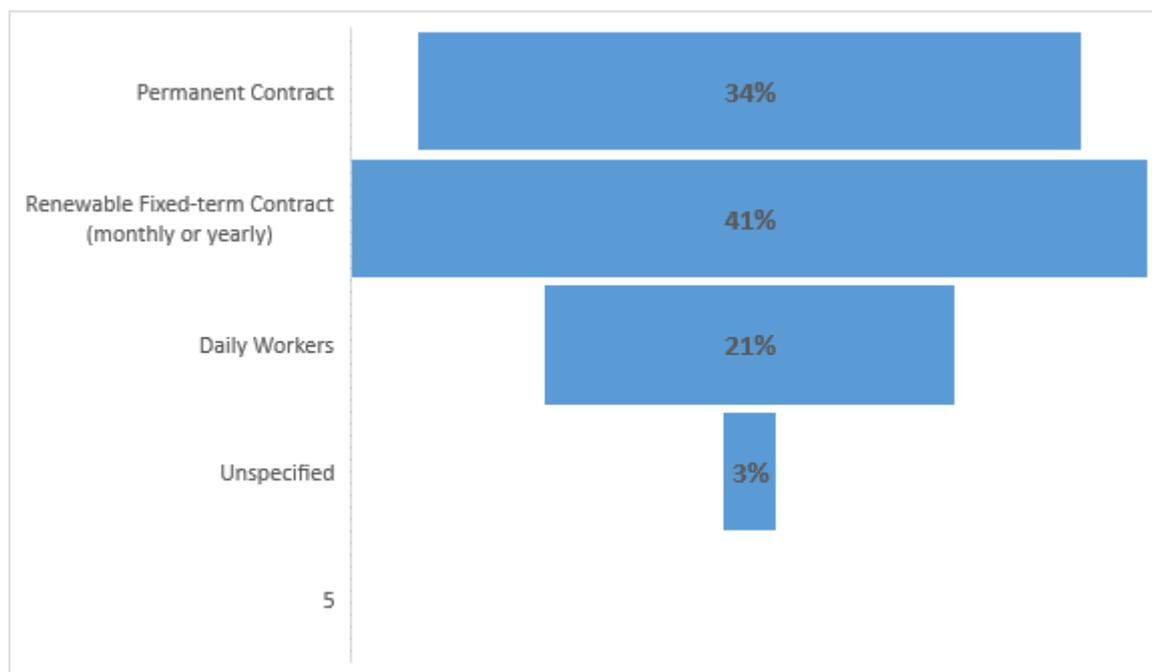


Figure 14 — Employment Type in Municipal Federations

8.2.2 Gender and Age Structure

Civil service in municipal Federations is dominated by men (79% of the total workforce). This predominance can be explained by the staffing structure, i.e. the nature of jobs, as substantiated in Table 5. Men are predominant in the most staffed sectors, i.e. security (local police and guard forces, firefighters, emergency unit), unskilled labour (daily and fixed-term workers) and engineering, with these 3 categories alone adding-up to 70% of the jobs within the Federations. Women are typically more present in sectors such as finance, administration, health, social affairs etc. which represent 30% of the jobs.

¹⁴ DRI. (2017). *Reforming Decentralisation in Lebanon: The State of Play*. Briefing Paper No. 80. April 2017. Beirut: Lebanon.

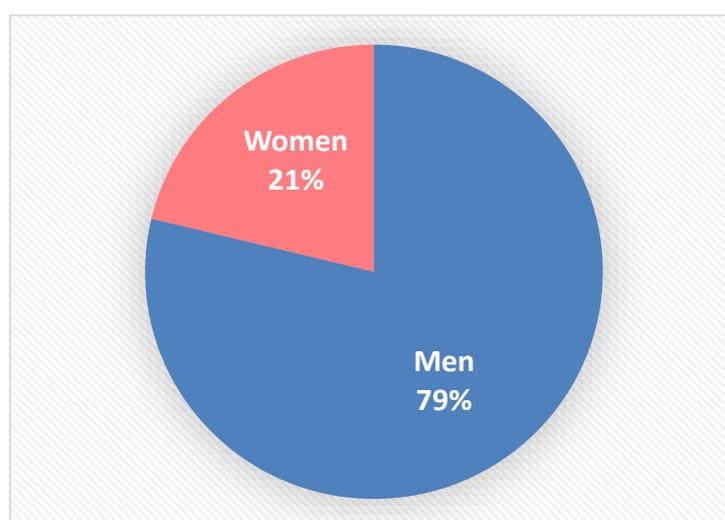


Figure 15— Gender Structure of Federations’ Staff

When asked about the age structure of their staff, 70% of the respondents did not provide an answer. This high abstention rate can be attributed to the unavailability of documented information with the age distribution of the staff members in each Federation, thus the difficulty to provide the research team with comprehensive and accurate data. In the 30% of the cases when the requested information was provided, it was mostly based on a rough estimation rather than empirical documents. This points – again – to the need for an in-depth review of the organisational and administrative processes that frame the work of the Federations.

The examined sample reveals that most of the workforce in the municipal Federations is young, with 75% of the civil servants being below the age of 40, primarily because municipal Federations are a recent phenomenon themselves, almost two thirds of them having been established after 2004.

This also reflects, *a priori*, a dynamic workforce which is might be open to new technologies and alternative ways of doing things. Most importantly, a young staff is generally more receptive to change and is eager to gain new skills through mentoring and capacity development.

It would be also fair to consider the trends reflected in this sample as representative for the remaining 70% of the workforce in the Federations.

Tables 7 a/b — Age Structure of Staff Members

Age Range	Number	%
20–29	30	8%
30–39	53	14%
40+	35	9%
Undetermined	274	70%

Total	392	100%
Age Range	Number	%
20–29	30	30%
30–39	53	45%
40+	35	25%
Total	118	100%

This trend is further confirmed with the data at hand concerning the education level of civil servants¹⁵ where 41% are holders of higher education degrees, and another 29% having at least a secondary education diploma.

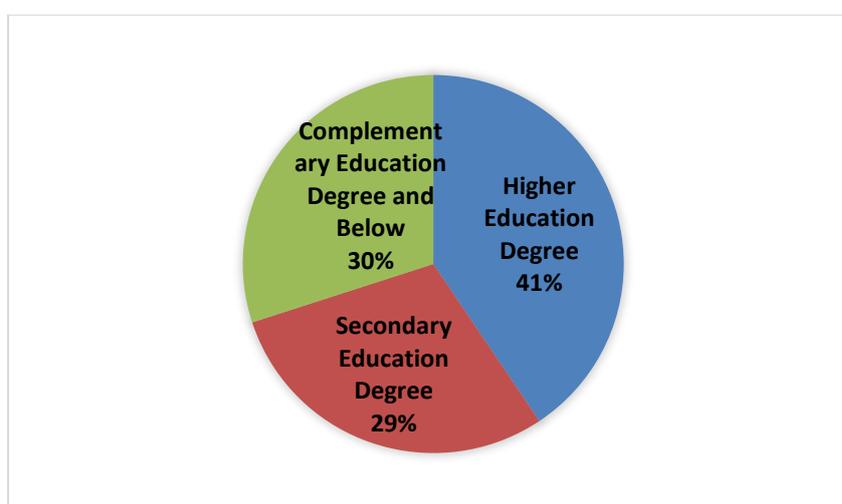


Figure 6 — Staff Education Level

8.2.3 Qualifications and Training Needs

Out of the 91 staff members having a higher education degree, a breakdown per specialisation could be obtained for 67 of them, and is summarised in the table below:

Table 8 — Qualifications of Staff Members

Study Course	No.	%
Business Management, Public Administration, Accounting	21	31%
Engineering (agricultural, civil), Architecture	19	28%
Social Sciences	14	21%
Computer Science	7	10%
Topography	3	4%
Public Health	3	4%
Total	67	100%

Table 9 — Number of Engineers per Governorate

Governorate	No. of Fixed-Term Engineers	%
Mount-Lebanon	7	20%
Baalback-Hermel	7	20%
Nabatiyé	5	15%
South-Lebanon	5	15%
Akkar	4	12%
North-Lebanon	4	12%
Beqaa	2	6%
Total	34	100%

¹⁵ 43% of the respondents did not provide an answer when asked about the education level of their staff, presumably for the same reasons cited above. Identical methodological remarks therefore apply.

Table 8 reflects an emphasis on core administrative tasks (business management, public administration, accounting, computer science) and engineering-related tasks (engineering, architecture, topography), with a consolidated score of 73%. Very little qualifications seem to exist for specialised technical services; most specialisations, such as environment, waste management, tourism, finance, social policy, are absent; only public health appears on the bottom of the list with a score of 4%. Staff members with a law background make up less than 3%. One would assume that some employees with a degree in Social Sciences perform specialised tasks such as Social Affairs, but it is more likely that they, too, occupy positions in the administration.

The low number of engineers hired on permanent contract basis shown in Table 9 resumes the staffing dilemma in the Federations: even for a fundamental function such as engineering, personnel is predominantly hired on a temporary contract subject to monthly or yearly renewal without any social security benefits. These precarious working conditions not only undermine the motivation and productivity of the engineering personnel; they negatively affect the sustainability of the engineering department and the implementation of its policies on the ground.

However, staff members are relatively young, dynamic, educated and skilled at what they do. In many cases, they also demonstrate a sense of initiative. Even though salaries in local authorities are unattractive to highly skilled professionals, most of the respondents (64%) are confident in the capacity of their staff members to perform the tasks they are entrusted to do.

56% of the presidents consider that their staff is highly skilled and 29% of them consider that they display a sense of initiative. This is consistent with the SWOT analysis (Figure 7), where *Competent Human Resources* is ranked as the Federations' second strength factor (13 out of 90 strengths expressed by 49 Federations). In 8% of the cases, respondents consider that their staff dispose of the needed skills but lack the necessary incentives to deliver a high-quality performance and develop professionally.

The following considerations appear to influence staffing:

1. The lack in financial resources limits the Federations' capacity to hire civil servants on a permanent contract with an attractive salary, together with the social benefits that it entails;
2. The length and complexity of the hiring procedure and the associated red-tape;
3. The absence of guidance and technical support from line ministries and the other government entities in the specialised spheres of activity (SWM, wastewater, environmental policies etc.), as confirmed in the SWOT analysis (Figure 9).

Incentives to improve the work conditions of local civil servants could be of financial nature (stable employment, better salaries, better working benefits..), but also training and other career advancement opportunities when looking at the high professional potential of existing staff.

Table 10 — Respondents' Assessment of the Competence of their staff

Governorate Skill Level	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	Total	%
High Skills and Sense of Initiative	3	3	0	3	1	2	2	14	29%
High Skills	2	1	4	1	4	0	1	13	27%
Skills Available but No Incentives	0	0	2	0	2	0	0	4	8%
Lacking Skills	2	1	1	0	1	0	0	5	10%
No Answer		2			1	5	3	11	22%
N/A					1	1		2	4%
Total	7	7	7	4	10	8	6	49	100%

However, 30 out of the 49 surveyed municipal Federations did not voice any training need. This could be considered either a no-response, or the result of training fatigue, poor capacity development assessments or the fixation on more pressing priorities in terms of institutional development or delivery of basic services. Three Federations have expressed their wish for any form of training, be it general or specific (the Federations of Jabal El Sheikh in the Beqaa, Baalback in Baalback-Hermel, and Sour in South-Lebanon), while the remaining ones have identified 35 training needs, summarised in the below table.

Table 11 — Training Needs in Municipal Federations

Governorate Skill Level	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	Total	%
Administration, PCM, Planning	4		2		5			11	31%
IT	2		3	2	4			11	31%
Legal Framework			1	2	2			5	14%
Accounting, Financial Planning	2			1	2			5	14%
Security			2		1			3	9%
Total	8	0	8	5	14	0	0	35	100%

Table 11 shows that the training needs in municipal Federations remain 'traditional' and focused on core administrative tasks, project cycle management, planning (town planning, strategic planning), IT, accounting, financial planning (incl. budget preparation and execution) and reporting. 14% of the training demands have addressed the legal and procedural frameworks governing the work of local authorities. 9% of the demands have touched on developing the capacity of the local police forces (duties and responsibilities of the municipal police, role in mediation and conflict management etc.).

On the opposite side of the spectrum, the Federation of Iqlim al-Touffah (Nabatiyé) expressed highly targeted training, namely in the fields of public health and sustainable development. Similarly, the Federation of Beqaa Al-Awsat asked for learning opportunities to develop the external relations of the Federation, particularly with international donor organisations.

The above doesn't discard the possibility of offering training opportunities for local civil servants. Suggested areas can be as follows:

- For staff members with management qualifications in Business Management, Public Administration, Accounting: legal framework, financial management and planning (incl. budgeting and financial reporting, tax calculation and collection), bidding and tender procedures, strategic planning, project cycle management, proposal writing etc.
- For staff members with engineering qualifications: town planning, land-use planning, proposal writing, feasibility studies, strategic planning, etc.
- For staff members with computer science qualifications: GIS, e-governance (incl. e-archiving, website management, smartphone application).

8.2.4 Staffing Needs

When asked about their staffing needs, Federations seem to be demanding more of the same as demonstrated in Table 12 below. Administration-related skills (administration, secretariat, driver) and engineering-related skills (engineering, topography), which represent respectively, 18% and 10.5% of the current workforce, are the most in demand, with a score of 31.5% and 27%, respectively. Security, which constitutes 39% of the workforce, is the third most demanded skill, with a score of 16.5%. This may be linked to the growing number of refugees and the challenges provide safety and stability within host communities, especially in the regions bordering with Syria. Finance-related tasks (accountant, treasurer) follow with 12.5% of the needs.

Particularly low, or even absent, is the expressed need for specialised technical expertise in fields like strategic planning (only requested by the Federation of Hermel), local development, project management, environmental management, public health, data management etc. This means that Federations are intrinsically unable to deliver advanced public services in diversified areas of intervention, and would continue relying on external experts and consultants (often funded by international donor organisations) in these specific fields. In the Federations of Hermel and Northern-Baalback, there is a notable awareness of the importance of in-house expertise in agricultural development planning. The Federation of Koura has expressed a need for an in-house trainer dedicated to the professional development of the Federation's staff as well as the staff and members of the member municipalities of the Federation.

This signals that Federations are mostly struggling to carry out their basic – or 'traditional' – responsibilities. The request for tax collectors (Dreib Gharbi – Akkar), bailiffs (Bint Jbeil – Nabatiyé), IT specialists (Dreib Awsat – Akkar) are further illustrations in this regard.

Table 12 — Staffing Needs in Municipal Federations

Governorate Skill Level	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	Total	%
Secretariat	1				4	8		13	18%
Security	1		3	1	2	5		12	16.5%
Engineering	2				2	6	1	11	15%
Topography	1				2	5	1	9	12%
Administration		2	1	1	1		1	6	8%
Treasurer				1		4		5	7%
Accounting			1	1		2		4	5.5%
Driver			2	1		1		4	5.5%
Other (planning, computer sc.)		3	1	1		2	2	9	12%
Total	5 7%	5 7%	8 11%	6 8%	11 15%	33 45%	5 7%	73 10	100%

Interestingly staffing needs of the municipal Federations do not correlate neither with the staffing average nor with their perceived staffing levels. Most needs emanate from Akkar (45%) where Federations have the lowest staffing average (4.6 per Federation) and where *all* Federations of this governorate deem their staffing level insufficient. However Baalback-Hermel has a comparable staffing average (4.7 per Federation) yet expressed only 7% of the needs.

On the other hand, Mount Lebanon which has the highest staffing average (10.9 per Federation) and where 70% of the Federations deem their staffing level insufficient expressed twice as much needs as North Lebanon which has a comparable staffing level (10.3 staff per Federation) yet expressed 7% of the needs.

This indicates that sensitive issues such as staffing are mostly dictated by a subjective assessment of the Federation leaders while they should normally be based on a systematic organisational assessment.

Table 13 — Staffing Needs vs. Staffing Levels and Staffing Average in Municipal Federations

Governorate Staffing Paramet.	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	General Average	
Average number of civil servants per Federation	9.4	4.7	8.4	6.5	10.9	4.6	10.3	8	
Staffing Needs	5 7%	5 7%	8 11%	6 8%	11 15%	33 45%	5 7%	73 100%	
Staffing Level Sufficient	2 29%	2 29%	4 58%	2 50%	3 30%	0 0%	0 0%	13	27%
Staffing Level Insufficient	5 71%	4 58%	3 42%	2 50%	7 70%	8 100%	6 100%	35	71%
No Answer		1 13%						1	2%
Total	7	7	7	4	10	8	6	49	100

8.3 Specialised Committees and citizen engagement

By law, local authorities are required to elect, among their council members, two committees that ensure a minimal degree of sound governance: (1) A tenders committee (a.k.a. the bidding committee), which is responsible of the tendering process and (2) a committee for the acquisition of goods, services, works and projects (abridged as the acquisition committee), which is responsible for ensuring the tenderer's compliance with the terms and conditions stipulated in the contract and the supervision of implementation. These mandatory committees are not found in all municipal Federations: 18 Federations function without a tenders committee *and/or* an acquisitions committee (no regional variance), which signals an incomplete basic institutionalisation in these Federations. There is a positive correlation between the date of establishment of the Federation and the institutionalisation process: 7 of these Federations were established in 2002–2004, 6 in 2005–2010, and another 5 in 2011–2016.

Table 14— Task-Specific Committees in Municipal Federations

Committee	Legal Status	Type	Frequency
Tender/Bidding	Mandatory	Institutional/Core	77.6%
Acquisitions		Institutional/Core	69.4%
Procurement	Optional	Institutional/Core	67.3%
Public Works		Institutional/Core	61.2%
Environment		Sectoral	38.8%
Health		Sectoral	26.5%
Sports		Sectoral	20.4%
Agriculture		Sectoral	18.4%
Financial Affairs		Institutional	14.3%
Education		Sectoral	14.3%
Culture		Sectoral	14.3%
Planning		Institutional	12.2%
Information		Sectoral	12.2%
Oversight/Monitoring		Institutional	8.2%
External Relations		Institutional	8.2%
Legal Affairs		Institutional	6.1%
Tourism		Sectoral	4.1%
Technical Affairs [Engineering]		Institutional	4.1%
Social Affairs		Sectoral	4.1%
Forestry		Sectoral	2.0%
Women's Affairs		Sectoral	2.0%
Awarding of Projects (overlaps with tender)		Institutional	2.0%

In addition to the mandatory committees, local authorities are entitled to elect specialised, task-specific committees entrusted to study all issues, sectors and services falling within their scope (Art. 53, §2 of the Municipal Act). These are open to non-Federations members, i.e. councillors and staff members, and may comprise experts, practitioners, community actors, citizens and volunteers of all backgrounds. These committees play an advisory role in policy-making. They are linked to the local authority council and support it in a wide array of activities, such as: strategic planning, town planning, emergency response, monitoring the implementation of works (quality assurance), environment, data collection and area mapping, neighbourhood committees, etc. As such, specialised committees are a flexible and powerful tool to ensure community engagement and trust-building between local authorities and the communities they serve.

Their flexible membership and the possibility to include non-elected specialists and volunteers is one of their key strengths and can be a handy win-win solution to compensate the endemic understaffing of municipal Federations. It also requires strong leadership and a genuine will to enhance participatory processes within the Federation.

Federations however appear to be reluctant in activating this type of assistance which is not explicitly required by law. Committees catering for the wellbeing of the population such as environment, health, sports, agriculture, education, culture, tourism, women empowerment, etc... are seldom present in 15% of the Federations. These committees are completely absent across all Federations of Akkar and the Beqaa, which can be interpreted as a very low community engagement in the Federation's affairs.

This calls for a more inclusive and participatory governance at the level of municipal Federations. It can also constitute a unique opportunity for involving residents of the municipalities and their Federations who are not *registered in the civil registry* of the voting district of the municipality and/or Federation. Simply put, someone from a village in North Lebanon who has lived all his life in a municipality of the Beqaa (and acquired property, established a business, paid taxes, etc.) is bound to vote during the municipal elections in his village of origin, irrespective of his current place of residence.

Specialised committees who involve non-Federation members can, therefore, bridge the discrepancy between the residents in the Federation area who are entitled to vote, and those who are not. Committees may take the form of shadow – or youth – councils, neighbourhood committees, volunteer committees or specific task forces that are active in the above cited fields.

9 The Financial Capacity of Municipal Federations

The present section on the financial capacity of the municipal Federations comprises an account of the Federations' revenues and expenditures over the years 2013, 2014 and 2015, i.e. during the last three years of the previous municipal mandate, which stretched from May 2010 until May 2016.

The accuracy of the collected financial data varies according to source. Part of it was retrieved from primary sources like archived documents and reports and can thus be considered reliable. Another part was collected during the interviews and its accuracy cannot be verified, despite the access to information act that makes it mandatory to make this data publically available.

Despite possible inaccuracies, this section provides realistic comparative trends for revenues and spending of the municipal Federations and must be interpreted accordingly.

9.1 Sources and Size of Revenues

To carry out their duties, Federations of municipalities dispose, by law, of the following sources of revenue:

1. 10% of the actual revenues of the member-municipalities, as declared in the financial/balance statement of the previous year;
2. The Federation's share from the Independent Municipal Fund (IMF), an intergovernmental equalisation system that transfers 'back' to the local authorities, through a distribution formula, a portion of taxes and fees, including some locally generated fees collected by central government authorities on behalf of all local authorities;
3. Revenues from the Federation's assets and properties;
4. Financial aids and loans;
5. Donations;
6. A commensurate percentage of the budget of the member-municipalities that benefit from a specific project of common interest, determined by the Council of the Federation depending on the size of the municipality's financial contribution to this specific project, provided that this percentage is approved by the Minister of the Interior and Municipalities.

From these sources, the total revenues of Lebanese municipal Federations for the years 2013, 2014 and 2015 are shown in the table below.

Table 15 — Total Revenues of the Municipal Federations for the Years 2013–2015 (in million LBP)

Govern. Revenues	Beqaa	Baalback-Hermel	Nabatiyé	South-Lebanon	Mount-Lebanon	Akkar	North Lebanon	Total Prov.
No. Fed	7	7	7	4	10	8	6	49
Total Revenues	9,517	13,791	21,500	10,442	36,254	13,667	26,830	132,000
Average revenues by fed.	1,360	1,970	3,071	2,611	3,625	1,708	4,472	2,694

9.2 Revenue Structure (2013–2015)

9.2.1 The Federations' Share from their Member-Municipalities (2013–2015)

Municipalities affiliated to a Federation must pay a yearly membership contribution amounting to 10% of its total annual revenues. Therefore, the financial strength of municipal Federations is partly influenced by that of its member municipalities.

Municipalities are entitled to collect 36 local taxes directly but more than 80% of their revenues from direct taxation stem from 4 substantive taxes, namely (1) the tax on the rental value of residential real estate, (2) the tax on the rental value of non-residential real estate, (3) sewer and pavement taxes, and (4) the tax on building permits. Therefore, the financial health of municipalities is related to the real estate sector, which is often more developed in urban rather than in rural areas.¹⁶

As such, and given that municipalities should earmark 10% of their actual revenues to the budget of the municipal Federations, built units – residential and non-residential – are, in theory, an essential indicator for the directly taxable resources available to the municipalities. The size of the contribution share could positively correlate with the financial health of the member-municipalities. In other terms: the larger the municipalities' respective budget, the larger their contribution, and the higher their capacity to settle it.

¹⁶ In addition to direct taxation, municipalities benefit from the following sources of revenue:

- 1- 6 fees collected by central government authorities on behalf of each municipality and distributed directly to each municipality (10% surtax on telephone bills; 10% surtax on electricity bills; 10% surtax on water bills; investment fee on quarries, collected by MOF; the proceeds of court-imposed fines on traffic violations which occur within the boundaries of the municipality; and fines for the settlement of building violations).
- 2- The municipality's share from the IMF;
- 3- Revenues of municipal properties and assets;
- 4- Financial aids and loans;
- 5- Fines;
- 6- Donations and wills.

Residential units	Primary and secondary residences
Non-residential units	Commercial units, factories, offices, economic facilities

According to the survey mapping (and keeping in mind the limitations in data collection) the highest numbers of built units are in Mount-Lebanon, particularly in the highly urbanised Greater Beirut Area and in the governorates of Akkar and North-Lebanon, particularly in the area of Tripoli, Lebanon's second largest city (Table 16).

On the other hand, the Federations' revenues from the yearly contributions of their member-municipalities between the years 2013 and 2015 is shown in Table 17. The highest average shares are found in North-Lebanon (894 million LBP per Federation), followed by Mount-Lebanon (529 million LBP), while the lowest average shares are in the Beqaa (as little as 44 million LBP) and South-Lebanon (71 million LBP).

Table 2 — Number of Residential and Non-Residential Units within the Area of the Surveyed Municipal Federations

Table 3 — Total Contributions to the Federations' Budget from their Member-Municipalities 2013–2015 (in million

LBP)

Unit Type	Residential	%	Non-Residential	%	No. Fed	Total Contributions	Avg. Contr.
Governorate							
Beqaa	48,700	9	3,081	11	7	310	44
Baalbeck-Hermel	28,000	5	3,419	13	7	800	114
Nabatiyé	63,747	12	3,704	14	7	1,994	285
South-Lebanon	<i>Undetermined</i>		<i>Undetermined</i>		4	285	71
Mount-Lebanon	221,687	39	9,481	35	10	5,229	523
Akkar	99,020	17	2,815	10	8	878	109
North-Lebanon	100,897	18	4,560	17	6	5,336	894
Total	570,552	100	27,660	100	49	14,864	303

While one would tend to assume that the higher number of built units (residential but especially non-residential) should lead to higher municipal revenues and should be hence positively correlated with the average contribution to the budget of municipal Federations, the figures in Table 17 challenge this assumption.

This might be due to two main reasons:

1. Municipalities have little capacity to achieve an acceptable tax collection rate, due to the absence of legal mechanisms to hold municipal tax evaders accountable on one hand and the under-staffing of municipalities and the absence of an electronic tax collection system on the other. As a result, municipalities often seek a compromise with their taxpayers (sometimes on electoral grounds) by imposing a fixed fiscal amount instead of applying the tax rate stipulated by law.
2. Some municipalities do not settle their contribution and Federations do not dispose of any legal means to claim their dues. Suspending or cancelling the membership of a municipality is rarely a practicable, or beneficial option. Hence the demand, commonly voiced by Federation presidents, to amend the Municipal Act so that MOIM may subtract the yearly contribution of the member municipalities from their respective IMF share and transfer it directly to the Federation. The capacity of a Federation to collect the financial contribution of its member municipalities is a fair indicator of the internal cohesion within the Federation and the commitment of the member municipalities to its work.

9.2.2 The Federations' Share from the Independent Municipal Fund (2013–2015)

The Federations' share from the IMF represents most of their revenues, with a cumulated amount of 76,911 million LBP for the 49 surveyed Federations over the years 2013–2015. This constitutes roughly 70% of the total revenue of the Federations as it has been also established by previous research¹⁷.

The IMF share for every Federation is calculated jointly between MoF and MoIM's Directorate General for Local Administrations and Councils based 40% on the number of member-municipalities and 60% on the size of the *registered* population – not on the actual number of residents. Therefore, the larger the size of the Federation and the more densely populated its area *according to the civil registry*, the larger its share.

The Federations' shares from the IMF in the different governorates in the years 2013, 2014 and 2015 are detailed in Table 18 (in million LBP).

¹⁷ Lebanese Center for Policy Studies (LCPS). 2014. *About Administrative Decentralization in Lebanon*. Beirut: LCPS. P. 24.

Table 18 — The Federations' Total IMF Share 2013–2015 (in million LBP)

Governorate IMF Share	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North- Lebanon	Total
Share of all Federations	8,709	9,543	13,796	5,971	16,714	7,848	14,328	76,911
No. of fed	7	7	7	4	10	8	6	49
Average per Federation	1,244	1,363	1,970	1,492	1,671	981	2,388	1,569

The table shows that average IMF shares per Federation mostly revolve around the national average, with two salient exceptions: Akkar, which seems at a noticeable disadvantage with a share much lower than the national average (981 million LBP) and North-Lebanon, which hosts Lebanon's second-most populated city, Tripoli, with the highest average share (2,388 million LBP).

The size of the IMF share allocated to each municipal Federation is thus highly contingent upon (1) the legal provisions governing its calculation and distribution, and (2) the implementation of these legal provisions by the central government.

9.2.3 Other Revenues

The average amount of remaining revenues, which include revenues from international aid for development and miscellaneous sources, is around 690 million LBP per Federation for the years 2013, 2014 and 2015. The size of these revenues is derived from 3 sources:

1. Revenues from the assets and properties of the Federations, including income generating projects and public-private partnerships when these exist.
2. The aid money received directly by the Federation (subject to a lengthy process of approval and oversight by various tiers of government)
3. The Federation's ability to attract donations (also subject to a lengthy process of approval and oversight by various tiers of government);

Average revenues from international development aid in the years 2013–2015 reach a high of 700 million LBP per Federation in Nabatiyé and 684 million LBP in South-Lebanon *versus* a low of 4 million LBP only in Akkar and 65 million LBP in the Beqaa, although the Federations in these two Governorates are engaged in a multitude of programmes related to the Syrian refugee crisis and targeting host communities.

This may be due to an under-valuation of in-kind donations that the Federations received and that were tendered directly by the donor organisations and/or inaccurate reporting of the volume of aid received.

9.3 Spending Size and Structure of Municipal Federations (2013-2015)

The survey examined five types of expenditures, namely:

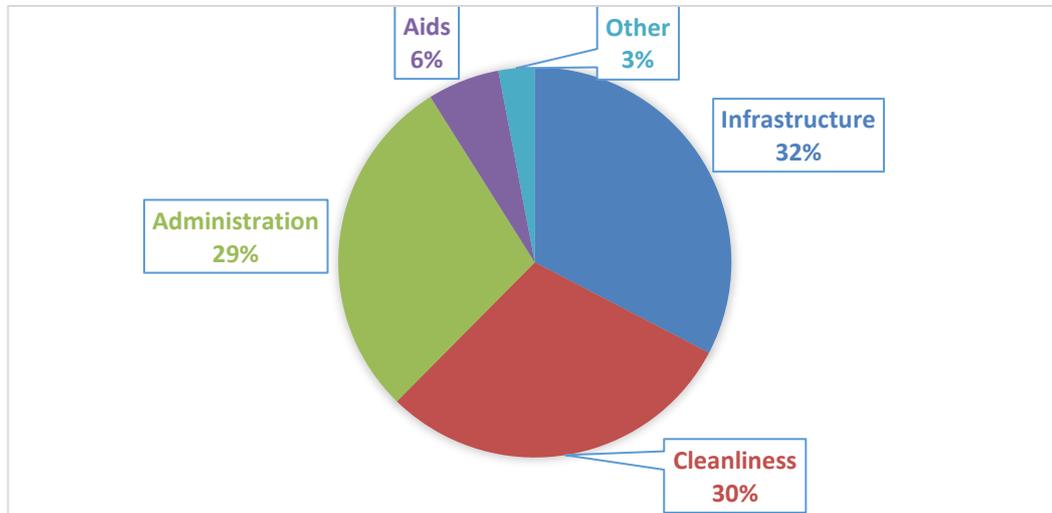
1. Spending on infrastructure, development projects and public facilities;
2. Cleanliness-related expenditures: waste collection, sorting, disposal, treatment;
3. Administrative expenditures: running and operating costs, staff salaries, maintenance fees, equipment and logistics;
4. Aids and contributions: social aid, contributions to cultural events and CSOs; and
5. Other expenditures.

The spending structure of Lebanese municipal Federations over the years 2013, 2014 and 2015 is detailed in Table 19.

Table 19 — Spending Structure of Municipal Federations 2013–2015

Governorate	Beqaa	Baalback-Hermel	Nabatiyé	South-Lebanon	Mount-Lebanon	Akkar	North-Lebanon	Total	
								Value (million LBP)	%
Expenditure	%	%	%	%	%	%	%		
Infrastructure	48.4	47.7	27.7	36.5	25.3	31.4	30.3	27,938	32
Cleanliness	17.6	32.9	36	39.7	20.3	31	33.8	25,384	30
Administrative	24.4	12.4	15.3	17.5	45.7	37.3	30.7	24,216	29
Aids	5.6	4	16.5	1.5	6.5	0.3	2.4	4,764	6
Other	4	3	4.5	4.8	2.2	0	2.8	2,425	3
Total Expenditures	100	100	100	100	100	100	100	84,728	100

Figure 17 — Spending Structure of Municipal Federations (2013–2015)



Again, these numbers must be seen as reflecting trends rather than exact values, but it is clear that infrastructure, cleanliness and administrative costs amount to 91% of the spending of Federations, leaving virtually no room for manoeuvre for any additional local development effort targeting the economic, environmental and social wellbeing of the communities served by the Federations.

The national average of administrative costs per Federation is at 29% of the total income and falls within acceptable standards (<40%), except for Mount-Lebanon.

Cleanliness-related expenditures typically comprise spending on solid waste and wastewater management. They are chiefly affected by two variables: (1) the number of residents within the Federation area, and (2) the degree of cost-efficiency with which these sectors are managed by the Federation (direct management, outsourcing to private sector contractors). In many cases, Federations do not invest in these sectors, leaving them at the discretion of member-municipalities. The national average stands at 30% of the total budget of the Federations and goes as low as 17.6% of the budget in the Beqaa to 39.7% in South-Lebanon. For a quasi-similar population size in the Beqaa and North-Lebanon, amounts and percentages appear on the opposing sides of the spectrum.

Spending on **infrastructure, development projects and public facilities** constitutes, in theory, the core of the Federations' expenses. As a rule, the higher this spending type, the more efficient the governance. In Lebanon, it is the largest spending, by a slight advantage over cleanliness and administrative costs; it makes up almost a third of the Federations' budget, which is a positive indicator. In Baalback-Hermel and the Beqaa, it amounts to almost half of the Federations' spending but goes down to as little as a quarter of the Federations budget in Nabatiyé and Mount-Lebanon. There is no significant correlation with the population or the revenue size and depends mostly on the presence of a strategic plan in the Federation and its activity level in the different sectors.

Spending on **aid and other services** is a normal component of the Federations' budget. By law, they are entitled to provide social assistance, contribute to social and cultural events, and support local CSOs. Overall, their portion in the total budget is acceptable (9%) and presents no direct correlation with the population or the revenue size. It rather depends on the strategic plan of the Federation and its activity level in this regard.

In conclusion, it appears that the spending structure of municipal Federations is less linked to factors such as population or revenue size than to management and governance styles (strategic planning, activity level, cost-efficiency in the management of the different sectors). The overall allocation of the different spending types is balanced and in line with acceptable standards. However, the value of the amounts that municipal Federations are extremely modest relatively to the extent of the development needs. For instance, infrastructure spending of 27,938 million LBP (18,625,334 USD) in three years is a very modest sum for all of Lebanon (it amounts to only 6,208,445 USD a year); ditto regarding the budget allocated to cleanliness.

9.4 Financial Assessment of Municipal Federations

According to the SWOT Analysis, the *lack of material resources* (financial and physical assets) ranks, by far, highest among the weaknesses listed by the municipal Federations (71/96), with a score of 74%. This factor is closely linked to understaffing and incomplete institutionalisation. In 85% of the cases (60/71), Federations deplore the lack of financial resources to conduct development projects, hire competent civil servants and develop their organisational structure. In the remaining cases, the scarcity of funds is reflected in a lack of necessary equipment (11%) and the incapacity to dispose of premises of their own (4%, 3/71).

More than half of the survey respondents (51%) consider that their revenues are just enough to cover basic expenditures (i.e., operating costs and routine infrastructure works) and hardly suffice to deliver public services and invest in larger-scale development projects. Only 27% of them consider that their financial capacity allows them to carry out a reasonable number of development activities. There are no significant variations across governorates as demonstrated in Table 22.

Table 22 — Assessment of the Financial Capacity of Municipal Federations by the Presidents

Governorate Self- Assessment	Beqaa	Baalback- Hermel	Nabatiyé	South- Lebanon	Mount- Lebanon	Akkar	North Lebanon	Total	%
Revenues do not cover basic expenses			2					2	4
Revenues cover basic expenses	2	5	1	1	3	3	3	18	37
Revenues cover basic expenses and basic development activities	1			1	4	1		7	14
Revenues cover reasonable development activities	3	2	2	1	2	2	1	13	27
Revenues cover a great deal of development activities			1	1			1	3	6
No Answer	1		1		1	2	1	6	12
Total	7	7	7	4	10	8	6	49	100

In conclusion, achieving financial sustainability is a major challenge for municipal Federations. It does not seem to depend on the date of establishment of the Federation, except perhaps in Akkar where Federations are recent institutions and, at the same time, noticeably weaker.

The findings of the study point to two clusters of structural and management features that are essential for achieving financial sustainability for municipal Federations: (1) Assets and structural characteristics; and (2) Good Governance and Cost-Efficiency.

Assets and Structural Characteristics

1. The availability of taxable resources within the municipalities of the Federation (mostly built units);
2. The revenues from the Federation's assets and properties;
3. The central government's commitment to transfer the equalisation payments in a timely manner as per the law;
4. The size of the registered population within the Federation area and the Federation's membership size.

Type 2: Good Governance and Cost-Efficiency

5. The Federation's ability to attract financial and in-kind donations;
6. The capacity of the member municipalities to collect their dues from direct taxes;
7. The commitment of the members municipalities of the Federation to settle their yearly contribution;
8. The ability to manage the Federation in a cost-efficient manner

10 Planning and Project Management in Municipal Federations

10.1 Urban Planning

Municipal Federations are best-positioned to address urban planning and local economic development of their territories in close coordination with their member municipalities. This is acknowledged by the Municipal Act through the binding provision stipulating that Federations, unlike municipalities, must dispose of an engineering department (Art. 122). The absence of an engineering department may therefore be correlated with the absence of an urban plan.

According to the 1977 Municipal Act, the municipal council, as the custodian of the policy-making power, is responsible for the planning function within the municipality. By extension (pursuant to Art. 129 of the Municipal Act), this responsibility falls onto the Federation council should the member-municipalities agree on a consolidated master plan applicable to the Federation area.

The municipal council may 'plan, improve and expand the streets [...], and execute [urban] designs related to the municipality as well as the Master Plan in cooperation with the Directorate Generate for Urban Planning (DGUP)¹⁸ [...] provided that both DGUP and the concerned municipality approve the project.' (Art. 49, §12)

However, the provisions of the 1983 Urban Planning Act have further centralised the planning prerogatives. It enabled DGUP to unilaterally develop a master plan and submit it to for approval by the concerned municipalities within a fleeting one-month period before it becomes effective. The lack of urban planning expertise in most municipalities made it difficult to challenge these master plan propositions. In the rare case where DGUP's proposition would be challenged by the local authority, the Council of Ministers is to settle the disagreement, most likely in DGUP's favour.

The disempowering character of the legal framework is reflected in the reality on the ground: at least 66% of the municipal Federations do not have an urban master plan. Among those, 33% are in the Beqaa region (governorates of Baalback-Hermel and the Beqaa), 30% in the North (mostly Akkar), followed by Mount-Lebanon (21%) and the South (15%).

¹⁸ The DGUP is part of the Ministry of Public Works and Transport (MOPWT).

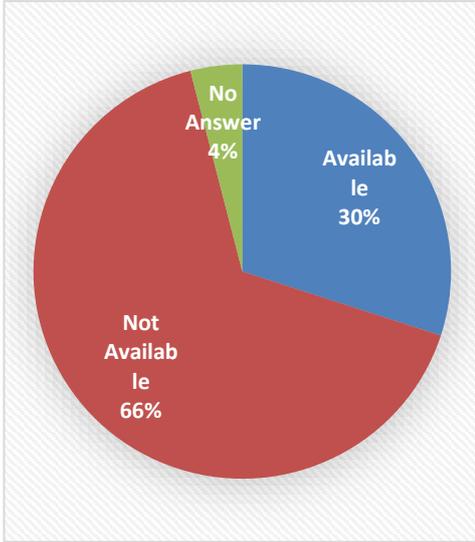


Figure 18 — Master Plans in Municipal Federations

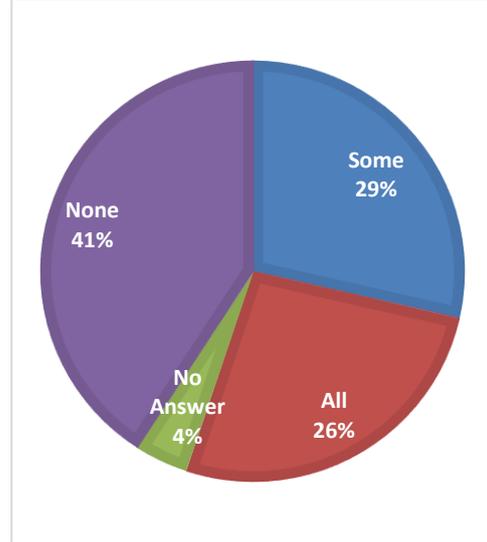


Figure 19 — Master Plans in Member-Municipalities

Municipalities seem to fare a little better in this regard. In 55% of the cases, all or some municipalities of the Federation have a master plan while, in the remaining 41% of the cases, none of the member-municipalities have one, particularly in North Lebanon and the larger Beqaa region (50% and 30% without a plan, respectively). This points toward the fact that the town planning, if existent, remains confined to individual municipalities and not scaled up to a regional level, despite the potential that this scale-up can have on all the municipalities that are member in a Federation.

Consistency with National Planning. — Most of the Federations that declared having developed a master plan believe that this plan is aligned to the National Physical Master Plan of the Lebanese Territory that was adopted by the Lebanese Government in 2009. There is however a discrepancy between the *implementation* of the local master plan and the national urban regulations, even though both might appear aligned on paper.

Implementation is primarily hampered by limited technical oversight capacities and law enforcement loopholes across the various tiers of oversight (central, deconcentrated and local authorities alike). Urban and land-use planning is also often a collateral victim of the real estate appetite which over-rides aesthetic, environmental and even functional considerations that might stand in the way of real estate development.

When asked about the compliance of the building permits delivered by the Federation with its master plan (for the 15 Federations that declared having developed some form of a master plan), only 5 Federations are confident that these permits are fully or mostly aligned with the master plan, while the 10 others politely evaded the question.

In summary, urban planning is an essential prerogative of the Federations but remains largely overlooked and in need of further institutionalisation. An essential pre-requisite in the process is a competent and resourceful engineering department, which is still missing in 18 out of the 49 Federations that took part in the survey.

10.2 Strategic Planning

Strategic planning capacity in municipal Federations seems to be more valued in South Lebanon than in the rest of the country. According to the SWOT analysis, it was cited as a strength by 22.5% of the Federations only (11 out of 90 cited strengths), two thirds of them by Federations in the Nabatiyé and South-Lebanon governorates. The self-perceived high planning capacity, however, refers to three cases:

- In 64% of the cases (7/11), Federations dispose of a Strategic Development Plan and are committed to implementing it;
- In 18% of the cases (2/11), the availability of a Strategic Development Plan is deemed as a strength, but no further indication is given as to its implementation;
- In the remaining cases (2/11), the existence of a common vision, or an Annual Work Plan, is deemed as strength, although no Strategic Development Plan *per se* is available.

Interestingly, only 10.2% of the Federations consider the lack of strategic planning as a weakness while none have made a mention of the consistency of local or regional planning with the National Physical Master Plan of the Lebanese Territory adopted by the Lebanese Government in 2009. This indicates either a lacking awareness about the importance of strategic planning for local development, or scepticism towards its relevance given the considerable basic challenges that municipal Federations must address on daily basis before making longer term planning.

10.3 Cooperation Projects and Project Management Skills

Since 1998, the number and size of municipal Federations has witnessed a steady growth, in addition to increasing acknowledgement of their role as key actors in the development of their territory. They have also initiated collaborations with a wide array of donor agencies and international organisations (to name a few: the EU, VNGI, USAID, the Italian Cooperation, UNDP, UN-Habitat, UNESCO, UNHCR, FAO, ICRC, SIAAP, DRC, Oxfam, Mercy Corps, etc.) who sought to establish partnerships with the Federations and conduct joint development and infrastructure projects with them across a wide array of sectors.

Cooperation with international and local organisations ranks highest in terms of opportunities identified in the SWOT analysis with 45% of the occurrences, hand in hand with ‘identification of economic opportunities’. This demonstrates the perceived importance of international assistance and its relevance to the work of Federations. Interestingly, “international cooperation” was not mentioned as strength, despite the presence of significant international cooperation work with local authorities across the country¹⁹.

Simply put, Federations are aware of the potential of international cooperation but are not best equipped to address the technical and administrative requirements that such cooperation would entail.

The different types of cooperation projects carried out by municipal Federations are sorted by frequency in Table 23.

Table 23 — Type of Cooperation Projects Implemented by Municipal Federations

Project Theme	Number of Projects	Frequency
Infrastructure	55	33%
Development	33	21%
Environment	29	18%
Construction	23	15%
Wastewater	13	8%
Logistics and Equipment	3	2%
Urban Planning & rural development	1	<1%
Total	157	100%

Mapping the cooperation projects proved to be a challenging task, with very few sources of secondary data made available to the research team. One should hence expect some overlap amongst categories (for example how to draw a firm line between ‘wastewater’, ‘construction’ and ‘infrastructure’), while the category labelled as ‘development’ would encompass a wide range of interventions from agri-business to heritage promotion. In all cases, the results show a bias towards “hard” interventions and a quasi-absence of “soft” ones such as capacity building, assistance in planning, etc...

This could be due to three possible reasons:

- International actors privileging to focus on short/medium term interventions, since soft skills and capacity development projects need a longer timeline to generate sustainable outcomes.
- Federations omitting to mention the opportunities made available directly through the international agencies and/or their third-party contractors.
- The heavy skew towards infrastructure projects (solid waste, water, wastewater, roads, etc...) due to urgent pressing needs especially in the aftermath of the Syria crisis response.

¹⁹ In 2012 Local Authorities were EU’s main cooperation partner in Lebanon
https://webgate.ec.europa.eu/fpfis/mwikis/aidco/images/8/89/Report_EU-LRA_Leb_final_draft.pdf

In summary, the priorities of international assistance to municipalities and their Federations need to be revisited and more investments should be directed towards soft skills, based on the established needs in this study, and departing from the assumption that Federations with weak or sub-optimal institutional capacity cannot sustain the achievements introduced through this international assistance. The availability of specialised technical knowledge depending on the sector of implementation (SWM, wastewater, social stability etc.) is also of paramount importance at both the Federation and member-municipalities level.

When asked to assess their project management capacity (Figure 21) 38% of the Federations have declared good or excellent skills while at the other end of the spectrum 45% of the Federations estimate these as weak or completely lacking.

Interestingly, none of the 9 Federations that have declared excellent project management skills have listed these skills as a strength in the SWOT analysis, nor did the 9 Federations who involve non-elected professional citizens in their working committees. This signals an undervaluation of the human capital within the Federations while it must be showcased as a best-practice.

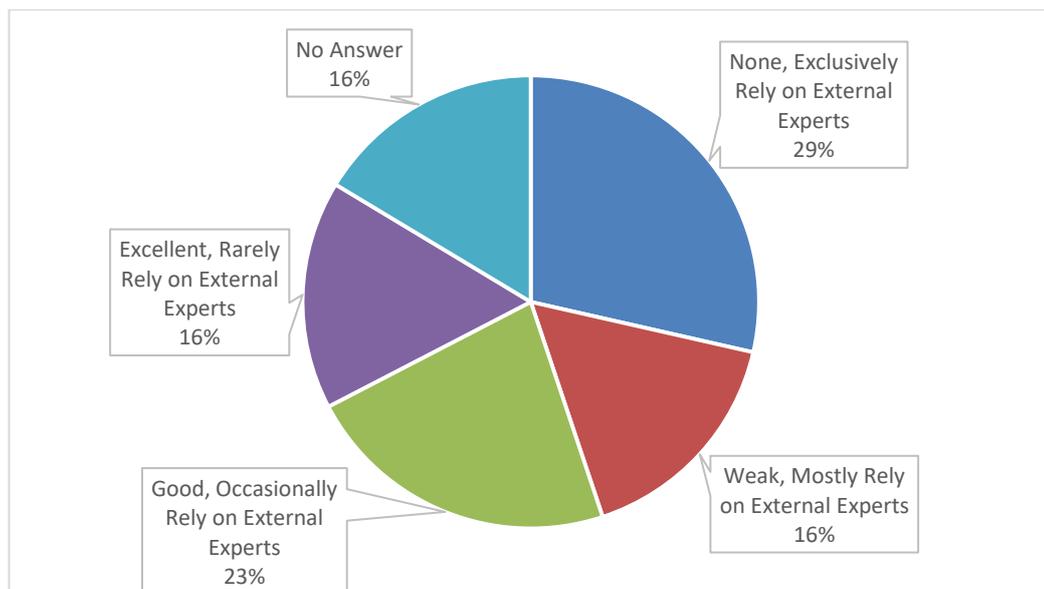


Figure 21 — Project Management Skills in Municipal Federations

11 Key Performance Indicators

Performance Level	Low	Medium	High
Rubric			
1. Internal Cohesion	Low internal cohesion and weak cooperation ties between member-municipalities.	Acceptable level of internal cohesion and good cooperation ties between member-municipalities.	High internal cohesion and strong cooperation ties between member-municipalities.
2. Emergency Plan	The Federation does not have a <i>documented</i> Emergency Plan.	The Federation has a <i>documented</i> Emergency Plan but does not have the budget to implement it.	The Federation has a <i>documented</i> and detailed Emergency Plan and the sufficient budget to implement it.
3. Transparency	The Federation provides public information (decisions, budgets, yearly financial statements) upon written request but does not publish it automatically.	The Federation publishes some public information (decisions, budgets, yearly financial statements) automatically, not only upon the citizens' request.	The Federation publishes all public information (decisions, budgets, yearly financial statements) automatically on its website and through various outreach channels.
4. Committees	The Federation disposes of the two mandatory committees as stipulated in the law.	The Federation disposes of the two mandatory committees as stipulated in the law as well several other specialised sectoral committees.	The Federation disposes of the two mandatory committees as stipulated in the law as well several other specialised sectoral committees that include citizens.
5. Citizens Participation	Citizens are not included in task-specific committees.	Task-specific committees include some citizens.	Task-specific committees include many citizens.

6. Available and Needed Equipment	The available equipment is sufficient to conduct basic infrastructure works and provide basic public services.	The available equipment allows for an acceptable range of infrastructure works and public services.	The available equipment allows for a wide range of infrastructure works and public services.
7. Needed Equipment	Equipment is needed to conduct essential administrative tasks; basic infrastructure works and provide basic public services.	Equipment is needed to conduct advanced administrative tasks (e-governance); a wide range infrastructure works and public services.	Equipment is needed to implement a comprehensive e-governance system; conduct a wide range infrastructure works and specialised public services in the different sectors.
8. Premises	Premises are in bad or average condition. Maintenance and rent costs are high.	Premises are in good condition. Maintenance and rent costs are not financial draining.	Premises are in very good condition. Maintenance and rent costs are low.
9. Organisational Chart	The Federation does not have an organisational chart.	The Federation has an organisation chart but is not actively working to improve/expand it.	The Federation has an organisation chart and is actively working to improve/expand it.
10. Staffing Levels	The Federation is understaffed.	The staffing levels are sufficient and allow for an acceptable array of interventions in the basic sectors of activity.	The staffing levels are sufficient and allow for a wide array of interventions in different sectors of activity.
11. Staffing Needs	Additional staffing is needed to cover core tasks (administration, finance, security, engineering).	Additional staffing is needed to cover some specialised sectors of activity (health, environment, social policy, agriculture) in addition to core tasks.	Additional staffing is needed to cover many specialised sectors of activity.

12. Staff Skills	The staff members demonstrate limited skills to carry out their duties.	The staff members demonstrate high skills to carry out their duties.	The staff members demonstrate high skills and a sense of initiative while carrying out their duties despite the lack of incentives.
13. Training Needs	Training is needed in the core areas of activity (administration, legal framework accounting, financial planning, security).	Training is needed in core <i>and</i> specialised areas of activity (PCM, e-governance, strategic planning).	Training is needed in specialised areas and sectors of activity (e-governance, strategic planning, health, social policy, environment, GIS).
14. Women's Participation	Women represent up to a quarter of the human resources (incl. council, staff, committees).	Women represent up to a third of the human resources (incl. council, staff, committees).	Women represent up to half of the human resources (council, staff, committees).
15. Financial Contribution of Member-Municipalities	Up to half of the member-municipalities settle their yearly financial contribution.	Up to 3/4 of the member-municipalities settle their yearly financial contribution.	All of member-municipalities settle their yearly financial contribution
16. Financial Capacity	Revenues cover basic operating costs and basic development activities.	Revenues cover all operating costs and a reasonable degree of development activities.	Revenues cover a great deal of development projects.
17. Spending Structure	Most of the spending goes to administrative expenses and basic infrastructure works.	Most of the spending goes to infrastructure works and basic public service delivery.	Most of the spending goes to advanced infrastructure works and specialised public services.
18. PCM Skills	The Federation mostly relies on PCM professionals to implement its projects.	The Federation occasionally relies on PCM professionals to implement its projects.	The Federation rarely relies on PCM professionals to implement its projects; only is large-scale, specialised projects.

19. Strategic Planning	The Federation does not have a <i>documented</i> strategic plan for local development.	The Federation has a <i>documented</i> strategic plan for local development and is partially implementing it.	The Federation has a <i>documented</i> , detailed and multi-sectoral strategic plan for local development and is implementing it.
20. Town Planning	The Federation does not have a documented urban plan.	The Federation has a <i>documented</i> urban plan and is partially implementing it.	The Federation has a document and detailed urban plan that is in line with the national master plan and is implementing it.
21. Partnerships and Fundraising	The Federation has some relations with international donor organisations and is securing funding in limited sectors/areas of activity.	The Federation has good relations with international donor organisations and is securing funding in some sectors/areas of activity.	The Federation has very good relations with international donor organisations and is securing funding in many – and often specialised – sectors/areas of activity.

Performance Level	Low	Medium	High
Rubric			
Internal Cohesion	Low internal cohesion and weak cooperation ties between member-municipalities.	Acceptable level of internal cohesion and good cooperation ties between member-municipalities.	High internal cohesion and strong cooperation ties between member-municipalities.
Emergency Plan	The Federation does not have a documented Emergency Plan.	The Federation has a documented Emergency Plan but does not have the budget to implement it.	The Federation has a documented and detailed Emergency Plan and the sufficient budget to implement it.
Transparency	The Federation provides public information (decisions, budgets, yearly financial statements) upon written request but does not publish it automatically.	The Federation publishes some public information (decisions, budgets, yearly financial statements) automatically, not only upon the citizens' request.	The Federation publishes all public information (decisions, budgets, yearly financial statements) automatically on its website and through various outreach channels.
Committees	The Federation disposes of the two mandatory committees as stipulated in the law.	The Federation disposes of the two mandatory committees as stipulated in the law as well several other specialised sectoral committees.	The Federation disposes of the two mandatory committees as stipulated in the law as well several other specialised sectoral committees that include citizens.
Citizens Participation	Citizens are not included in task-specific committees.	Task-specific committees include some citizens.	Task-specific committees include many citizens.
Available and Needed Equipment	The available equipment is sufficient to conduct basic infrastructure works and provide basic public services.	The available equipment allows for an acceptable range of infrastructure works and public services.	The available equipment allows for a wide range of infrastructure works and public services.

Needed Equipment	Equipment is needed to conduct essential administrative tasks; basic infrastructure works and provide basic public services.	Equipment is needed to conduct advanced administrative tasks (e-governance); a wide range infrastructure works and public services.	Equipment is needed to implement a comprehensive e-governance system; conduct a wide range infrastructure works and specialised public services in the different sectors.
Premises	Premises are in bad or average condition. Maintenance and rent costs are high.	Premises are in good condition. Maintenance and rent costs are not financial draining.	Premises are in very good condition. Maintenance and rent costs are low.
Organisational Chart	The Federation does not have an organisational chart.	The Federation has an organisation chart but is not actively working to improve/expand it.	The Federation has an organisation chart and is actively working to improve/expand it.
Staffing Levels	The Federation is understaffed.	The staffing levels are sufficient and allow for an acceptable array of interventions in the basic sectors of activity.	The staffing levels are sufficient and allow for a wide array of interventions in different sectors of activity.
Staffing Needs	Additional staffing is needed to cover core tasks (administration, finance, security, engineering).	Additional staffing is needed to cover some specialised sectors of activity (health, environment, social policy, agriculture) in addition to core tasks.	Additional staffing is needed to cover many specialised sectors of activity.
Staff Skills	The staff members demonstrate limited skills to carry out their duties.	The staff members demonstrate high skills to carry out their duties.	The staff members demonstrate high skills and a sense of initiative while carrying out their duties despite the lack of incentives.

Training Needs	Training is needed in the core areas of activity (administration, legal framework accounting, financial planning, security).	Training is needed in core and specialised areas of activity (PCM, e-governance, strategic planning).	Training is needed in specialised areas and sectors of activity (e-governance, strategic planning, health, social policy, environment, GIS).
Women's Participation	Women represent up to a quarter of the human resources (incl. council, staff, committees).	Women represent up to a third of the human resources (incl. council, staff, committees).	Women represent up to half of the human resources (council, staff, committees).
Financial Contribution of Member-Municipalities	Up to half of the member-municipalities settle their yearly financial contribution.	Up to 3/4 of the member-municipalities settle their yearly financial contribution.	All of member-municipalities settle their yearly financial contribution
Financial Capacity	Revenues cover basic operating costs and basic development activities.	Revenues cover all operating costs and a reasonable degree of development activities.	Revenues cover a great deal of development projects.
Spending Structure	Most of the spending goes to administrative expenses and basic infrastructure works.	Most of the spending goes to infrastructure works and basic public service delivery.	Most of the spending goes to advanced infrastructure works and specialised public services.
PCM Skills	The Federation mostly relies on PCM professionals to implement its projects.	The Federation occasionally relies on PCM professionals to implement its projects.	The Federation rarely relies on PCM professionals to implement its projects; only is large-scale, specialised projects.
Strategic Planning	The Federation does not have a documented strategic plan for local development.	The Federation has a documented strategic plan for local development and is partially implementing it.	The Federation has a documented, detailed and multi-sectoral strategic plan for local development and is implementing it.

Town Planning	The Federation does not have a documented urban plan.	The Federation has a documented urban plan and is partially implementing it.	The Federation has a document and detailed urban plan that is in line with the national master plan and is implementing it.
Partnerships and Fundraising	The Federation has some relations with international donor organisations and is securing funding in limited sectors/areas of activity.	The Federation has good relations with international donor organisations and is securing funding in some sectors/areas of activity.	The Federation has very good relations with international donor organisations and is securing funding in many – and often specialised – sectors/areas of activity.